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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 —

- (I) FACTORING AGREEMENT (CUSTOMER A);**
- (II) FACTORING AGREEMENT (CUSTOMER B);**
- (III) FACTORING AGREEMENT (CUSTOMER C);**
- (IV) FACTORING AGREEMENT (CUSTOMER D);**
- (V) SUPPLEMENTAL REVERSE FACTORING AGREEMENT
(CUSTOMER E); AND**
- (VI) FACTORING AGREEMENT (CUSTOMER F)**

**MATERIAL CHANGE OF TERMS OF THE PREVIOUSLY ANNOUNCED
DISCLOSEABLE TRANSACTIONS —**

- (I) SUPPLEMENTAL FACTORING AGREEMENT (CUSTOMER G); AND**
- (II) SECOND SUPPLEMENTAL FACTORING AGREEMENT
(CUSTOMER H)**

(I) FACTORING AGREEMENT (CUSTOMER A)

The Board hereby announces that on 29 June 2018, Yong Zhuo, an indirect wholly-owned subsidiary of the Company, entered into the Factoring Agreement (Customer A) with Customer A pursuant to which Yong Zhuo granted to Customer A and its associated companies with the same beneficial owner(s) jointly a with recourse revolving factoring loan credit limit of RMB300,000,000 at an annual interest rate of not more than 15% (the exact interest rate to be negotiated upon each drawdown) with an expiry date of 30 April 2019.

(II) FACTORING AGREEMENT (CUSTOMER B)

The Board hereby announces that on 29 June 2018, Yong Zhuo entered into the Factoring Agreement (Customer B) with Customer B pursuant to which Yong Zhuo granted to Customer B and its associated companies with the same beneficial owner(s) jointly a with recourse revolving factoring loan credit limit of RMB300,000,000 at an annual interest rate of not more than 15% (the exact interest rate to be negotiated upon each drawdown) with an expiry date of 30 April 2019.

(III) FACTORING AGREEMENT (CUSTOMER C)

The Board hereby announces that on 29 June 2018, Yong Zhuo entered into the Factoring Agreement (Customer C) with Customer C pursuant to which Yong Zhuo granted to Customer C and its associated companies with the same beneficial owner(s) jointly a with recourse revolving factoring loan credit limit of RMB300,000,000 at an annual interest rate of not more than 15% (the exact interest rate to be negotiated upon each drawdown) with an expiry date of 30 April 2019.

(IV) FACTORING AGREEMENT (CUSTOMER D)

The Board hereby announces that on 29 June 2018, Yong Zhuo entered into the Factoring Agreement (Customer D) with Customer D pursuant to which Yong Zhuo granted to Customer D and its associated companies with the same beneficial owner(s) jointly a with recourse revolving factoring loan credit limit of RMB300,000,000 at an annual interest rate of not more than 15% (the exact interest rate to be negotiated upon each drawdown) with an expiry date of 30 April 2019.

(V) SUPPLEMENTAL REVERSE FACTORING AGREEMENT (CUSTOMER E)

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Supplemental Reverse Factoring Agreement (Customer E) with Customer E pursuant to which i) the revolving guarantee limit of RMB75,000,000 was revised to RMB 250,000,000 (the guarantee limit is granted to Customer E and its associated companies with the same beneficial owner(s) or designated third parties approved by SY Factoring jointly. The guarantee limit could be granted by SY Factoring or any of its associated companies but the accumulated guarantee limit in any event would not exceed RMB250,000,000); ii) the credit guarantee ratio was set at not more than 100% of the Accounts Receivable; iii) the expiry date of the guarantee limit was revised from 13 March 2020 to 30 April 2019; iv) the service fee was revised from not more than 3% of the amount of the Account Receivables to not more than 1.25% of the amount of the Account Receivables per month (including tax, payable upon each utilization of the guarantee); and v) the factoring was set to be with notification.

(VI) FACTORING AGREEMENT (CUSTOMER F)

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Factoring Agreement (Customer F) with Customer F pursuant to which SY Factoring granted to Customer F and its associated companies with the same beneficial owner(s) jointly a with recourse revolving factoring loan credit limit of RMB200,000,000 at an annual interest rate of not more than 15% (the exact interest rate to be negotiated upon each drawdown) and a service fee of not more than 2% of the accounts receivable assigned (the exact service fee to be negotiated upon each drawdown) with an expiry date of 30 April 2019.

MATERIAL CHANGE OF TERMS OF THE PREVIOUSLY ANNOUNCED DISCLOSEABLE TRANSACTIONS —

(I) SUPPLEMENTAL FACTORING AGREEMENT (CUSTOMER G)

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Supplemental Factoring Agreement (Customer G) with Customer G pursuant to which the Factoring Agreement (Customer G) is revised to include two additional debtor groups approved by SY Factoring so that Customer G can utilize the accounts receivable owing from the said debtor groups as security for the factoring loan.

(II) SECOND SUPPLEMENTAL FACTORING AGREEMENT (CUSTOMER H)

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Second Supplemental Factoring Agreement (Customer H) with Customer H pursuant to which the Factoring Agreement (Customer H) (as supplemented by the First Supplemental Factoring Agreement (Customer H)) is revised to include an additional debtor group approved by SY Factoring so that Customer H can utilize the accounts receivable owing from the said debtor group as security for the factoring loan.

GEM LISTING RULES IMPLICATIONS

The Directors consider that each of the Supplemental Factoring Agreement (Customer G) and the Second Supplemental Factoring Agreement (Customer H) constitutes material change to the terms of its respective preceding agreements and the Company shall re-comply with the requirements under Chapter 19 of the GEM Listing Rules.

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

(I) FACTORING AGREEMENT (CUSTOMER A)

Background

On 29 June 2018, Yong Zhuo, an indirect wholly-owned subsidiary of the Company, entered into the Framework Agreement (Customer A) with Customer A, pursuant to which Yong Zhuo agreed to provide to Customer A i) financing being secured by the accounts receivables of Customer A; ii) accounts receivable management services; and iii) accounts receivable collection services for a period of 2 years from the date of signing of the Framework Agreement (Customer A). Pursuant to the Framework Agreement (Customer A), Customer A will fill in an application for factoring services and Yong Zhuo will make credit assessment to determine a credit limit. If the credit assessment is to the satisfaction of Yong Zhuo, Yong Zhuo will enter into a factoring agreement with Customer A which delineates, among other things, the credit limit, the interest rate and service fee and expiry date of the credit limit.

Factoring Agreement (Customer A)

The Board hereby announces that on 29 June 2018, Yong Zhuo entered into the Factoring Agreement (Customer A) with Customer A pursuant to which Yong Zhuo granted to Customer A and its associated companies with the same beneficial owner(s) jointly a revolving factoring loan credit limit of RMB300,000,000.

The principal terms of the revolving factoring loan under the Factoring Agreement (Customer A) are set out as below:

- Date : 29 June 2018
- Parties : (1) Customer A, a company established in the PRC with limited liability which principally engages in, among other things, sales of coke, coal and electronic products. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Customer A and its ultimate beneficial owner are Independent Third Parties.
- (2) Yong Zhuo, an indirect wholly-owned subsidiary of the Company which principal business is, among other things, commercial factoring.

Credit limit	:	RMB300,000,000
		The credit limit is granted to Customer A and its associated companies with the same beneficial owner(s) jointly. The credit limit could be granted by Yong Zhuo or any of its associated companies but the accumulated credit limit in any event would not exceed RMB300,000,000.
Type of credit limit	:	Revolving
Factoring loan prepayment ratio	:	Not more than 100% of the accounts receivable assigned
Interest rate and service fee	:	not more than 15% per year (the exact rate to be negotiated upon each drawdown)
Expiry date of the credit limit	:	30 April 2019
Right to recourse	:	The factoring is with recourse
Notice	:	The factoring is without notification.

The interest rate and the service fee in the Factoring Agreement (Customer A) were determined by the parties on arm's length negotiation taking into account i) the credit rating of Customer A and the debtors of the accounts receivables provided by Customer A; ii) the credit period; and iii) the factoring was with recourse.

If the credit limit was never utilized within 90 days by Customer A from the date of signing of the Factoring Agreement (Customer A), Yong Zhuo shall cease the provision of the credit limit to Customer A.

(II) FACTORING AGREEMENT (CUSTOMER B)

Background

On 29 June 2018, Yong Zhuo entered into the Framework Agreement (Customer B) with Customer B, pursuant to which Yong Zhuo agreed to provide to Customer B i) financing being secured by the accounts receivables of Customer B; ii) accounts receivable management services; and iii) accounts receivable collection services for a period of 2 years from the date of signing of the Framework Agreement (Customer B). Pursuant to the Framework Agreement (Customer B), Customer B will fill in an application for factoring services and Yong Zhuo will make credit assessment to determine a credit limit. If the credit assessment is to the satisfaction of Yong Zhuo, Yong Zhuo will enter into a factoring agreement with Customer B which delineates, among other things, the credit limit, the interest rate and service fee and expiry date of the credit limit.

Factoring Agreement (Customer B)

The Board hereby announces that on 29 June 2018, Yong Zhuo entered into the Factoring Agreement (Customer B) with Customer B pursuant to which Yong Zhuo granted to Customer B and its associated companies with the same beneficial owner(s) jointly a revolving factoring loan credit limit of RMB300,000,000.

The principal terms of the revolving factoring loan under the Factoring Agreement (Customer B) are set out as below:

- Date : 29 June 2018
- Parties : (1) Customer B, a company established in the PRC with limited liability which principally engages in, among other things, sales of coke, coal and electronic products. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Customer B and its ultimate beneficial owner are Independent Third Parties.
- (2) Yong Zhuo, an indirect wholly-owned subsidiary of the Company which principal business is, among other things, commercial factoring.

Credit limit	:	RMB300,000,000
		The credit limit is granted to Customer B and its associated companies with the same beneficial owner jointly. The credit limit could be granted by Yong Zhuo or any of its associated companies but the accumulated credit limit in any event would not exceed RMB300,000,000.
Type of credit limit	:	Revolving
Factoring loan prepayment ratio	:	Not more than 100% of the accounts receivable assigned
Interest rate and service fee	:	not more than 15% per year (the exact rate to be negotiated upon each drawdown)
Expiry date of the credit limit	:	30 April 2019
Right to recourse	:	The factoring is with recourse
Notice	:	The factoring is without notification.

The interest rate and the service fee in the Factoring Agreement (Customer B) were determined by the parties on arm's length negotiation taking into account i) the credit rating of Customer B and the debtors of the accounts receivables provided by Customer B; ii) the credit period; and iii) the factoring was with recourse.

If the credit limit was never utilized within 90 days by Customer B from the date of signing of the Factoring Agreement (Customer B), Yong Zhuo shall cease the provision of the credit limit to Customer B.

(III) FACTORING AGREEMENT (CUSTOMER C)

Background

On 29 June 2018, Yong Zhuo entered into the Framework Agreement (Customer C) with Customer C, pursuant to which Yong Zhuo agreed to provide to Customer C i) financing being secured by the accounts receivables of Customer C; ii) accounts receivable management services; and iii) accounts receivable collection services for a period of 2 years from the date of signing of the Framework Agreement (Customer C). Pursuant to the Framework Agreement (Customer C), Customer C will fill in an application for factoring services and Yong Zhuo will make credit assessment to determine a credit limit. If the credit assessment is to the satisfaction of Yong Zhuo, Yong Zhuo will enter into a factoring agreement with Customer C which delineates, among other things, the credit limit, the interest rate and service fee and expiry date of the credit limit.

Factoring Agreement (Customer C)

The Board hereby announces that on 29 June 2018, Yong Zhuo entered into the Factoring Agreement (Customer C) with Customer C pursuant to which Yong Zhuo granted to Customer C and its associated companies with the same beneficial owner(s) jointly a revolving factoring loan credit limit of RMB300,000,000.

The principal terms of the revolving factoring loan under the Factoring Agreement (Customer C) are set out as below:

- Date : 29 June 2018
- Parties : (1) Customer C, a company established in the PRC with limited liability which principally engages in, among other things, wholesale and retail of fuel oil and metal and construction materials. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Customer C and its ultimate beneficial owner are Independent Third Parties.
- (2) Yong Zhuo, an indirect wholly-owned subsidiary of the Company which principal business is, among other things, commercial factoring.

Credit limit	:	RMB300,000,000
		The credit limit is granted to Customer C and its associated companies with the same beneficial owner jointly. The credit limit could be granted by Yong Zhuo or any of its associated companies but the accumulated credit limit in any event would not exceed RMB300,000,000.
Type of credit limit	:	Revolving
Factoring loan prepayment ratio	:	Not more than 100% of the amount assigned
Interest rate and service fee	:	not more than 15% per year (the exact rate to be negotiated upon each drawdown)
Expiry date of the credit limit	:	30 April 2019
Right to recourse	:	The factoring is with recourse
Notice	:	The factoring is without notification.

The interest rate and the service fee in the Factoring Agreement (Customer C) were determined by the parties on arm's length negotiation taking into account i) the credit rating of Customer C and the debtors of the accounts receivables provided by Customer C; ii) the credit period; and iii) the factoring was with recourse.

If the credit limit was never utilized within 90 days by Customer C from the date of signing of the Factoring Agreement (Customer C), Yong Zhuo shall cease the provision of the credit limit to Customer C.

(IV) FACTORING AGREEMENT (CUSTOMER D)

Background

On 29 June 2018, Yong Zhuo entered into the Framework Agreement (Customer D) with Customer D, pursuant to which Yong Zhuo agreed to provide to Customer D i) financing being secured by the accounts receivables of Customer D; ii) accounts receivable management services; and iii) accounts receivable collection services for a period of 2 years from the date of signing of the Framework Agreement (Customer D). Pursuant to the Framework Agreement (Customer D), Customer D will fill in an application for factoring services and Yong Zhuo will make credit assessment to determine a credit limit. If the credit assessment is to the satisfaction of Yong Zhuo, Yong Zhuo will enter into a factoring agreement with Customer D which delineates, among other things, the credit limit, the interest rate and service fee and expiry date of the credit limit.

Factoring Agreement (Customer D)

The Board hereby announces that on 29 June 2018, Yong Zhuo entered into the Factoring Agreement (Customer D) with Customer D pursuant to which Yong Zhuo granted to Customer D and its associated companies with the same beneficial owner(s) jointly a revolving factoring loan credit limit of RMB300,000,000.

The principal terms of the revolving factoring loan under the Factoring Agreement (Customer D) are set out as below:

- Date : 29 June 2018
- Parties : (1) Customer D, a company established in the PRC with limited liability which principally engages in, among other things, supply chain management services and network technology consulting and development services. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Customer D and its ultimate beneficial owner are Independent Third Parties.
- (2) Yong Zhuo, an indirect wholly-owned subsidiary of the Company which principal business is, among other things, commercial factoring.

Credit limit	:	RMB300,000,000
		The credit limit is granted to Customer D and its associated companies with the same beneficial owner jointly. The credit limit could be granted by Yong Zhuo or any of its associated companies but the accumulated credit limit in any event would not exceed RMB300,000,000.
Type of credit limit	:	Revolving
Factoring loan prepayment ratio	:	Not more than 100% of the accounts receivable assigned
Interest rate and service fee	:	not more than 15% per year (the exact rate to be negotiated upon each drawdown)
Expiry date of the credit limit	:	30 April 2019
Right to recourse	:	The factoring is with recourse
Notice	:	The factoring is without notification.

The interest rate and the service fee in the Factoring Agreement (Customer D) were determined by the parties on arm's length negotiation taking into account i) the credit rating of Customer D and the debtors of the accounts receivables provided by Customer D; ii) the credit period; and iii) the factoring was with recourse.

If the credit limit was never utilized within 90 days by Customer D from the date of signing of the Factoring Agreement (Customer D), Yong Zhuo shall cease the provision of the credit limit to Customer D.

(V) SUPPLEMENTAL REVERSE FACTORING AGREEMENT (CUSTOMER E)

Background

On 14 March 2018, SY Factoring entered into the Reverse Factoring Agreement (Customer E) with Customer E, pursuant to which SY Factoring agreed to provide to Customer E guarantee services and Customer E would procure the creditors of Customer E to engage SY Factoring to provide accounts receivable management services, accounts receivable collection services, guarantee services and/or factoring services for a period of 2 years from the date of signing of the Reverse Factoring Agreement (Customer E).

Supplemental Reverse Factoring Agreement (Customer E)

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Supplemental Reverse Factoring Agreement (Customer E) with Customer E pursuant to which i) the revolving guarantee limit of RMB75,000,000 was revised to RMB 250,000,000 (the guarantee limit is granted to Customer E and its associated companies with the same beneficial owner(s) or designated third parties approved by SY Factoring jointly. The guarantee limit could be granted by SY Factoring or any of its associated companies but the accumulated guarantee limit in any event would not exceed RMB250,000,000); ii) the credit guarantee ratio was set at not more than 100% of the Accounts Receivable; iii) the expiry date of the guarantee limit was revised from 13 March 2020 to 30 April 2019; iv) the service fee was revised from not more than 3% of the amount of the Account Receivables to not more than 1.25% of the amount of the Account Receivables per month (including tax, payable upon each utilization of the guarantee); and v) the factoring was set to be with notification.

The principal terms of the guarantee under the Reverse Factoring Agreement (Customer E) (as supplemented by the Supplemental Reverse Factoring Agreement (Customer E)) are set out as below:

Date : 29 June 2018

Parties : (1) Customer E, a company established in the PRC with limited liability which principally engages in, among other things, the trade of oil and petroleum products. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Customer E 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.

Subject matter : SY Factoring as guarantor agreed to provide a revolving guarantee limit in favour of the creditors of Customer E for the payment obligations of Customer E under the Accounts Receivable.

Pursuant to the Reverse Factoring Agreement (Customer E) (as supplemented by the Supplemental Reverse Factoring Agreement (Customer E)), Customer E will settle its payment obligations under the Accounts Receivable by paying to a designated account of SY Factoring. If Customer E fails to honour its payment obligation under the Accounts Receivable within 90 days from the due date of the relevant Account Receivable, SY Factoring shall pay to the creditors of Customer E the outstanding amount owed by Customer E. Customer E agrees to procure the creditors of Customer E to assign the Accounts Receivable to SY Factoring as securities for guarantee provided by SY Factoring to Customer E and procure the creditors of the Customer E to engage SY Factoring to provide accounts receivable collection services and/or factoring services to the creditors of Customer E at the cost of Customer E.

The creditors of the Customer E : To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the creditors of the Customer E will be mainly engaged in various businesses including trading of oil and petrochemical products.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the creditors of Customer E and their ultimate beneficial owner are Independent Third Parties.

Guarantee limit	:	RMB250,000,000
Credit guarantee ratio	:	not more than 100% of the Accounts Receivable
Type of guarantee limit	:	Revolving
Service fee	:	Not more than 1.25% of the amount of the Account Receivables per month (including tax, payable upon each utilization of the guarantee)
Expiry date of the guarantee limit	:	30 April 2019
Right to recourse	:	The factoring is without recourse
Notice	:	The factoring is with notification.

Save as disclosed above, all the terms of the Reverse Factoring Agreement (Customer E) shall remain materially unchanged and in full force and effect and binding on the parties.

The service fee in the Reverse Factoring Agreement (Customer E) (as supplemented by the Supplemental Reverse Factoring Agreement (Customer E)) was determined by the parties on arm's length negotiation taking into account i) the credit rating of Customer E; and ii) the guarantee period.

If the guarantee limit was never utilized within 90 days by Customer E from the date of signing of the Supplemental Reverse Factoring Agreement (Customer E), SY Factoring shall cease the provision of the guarantee limit to Customer E.

(VI) FACTORING AGREEMENT (CUSTOMER F)

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Factoring Agreement (Customer F) with Customer F pursuant to which SY Factoring granted to Customer F a revolving factoring loan credit limit of RMB200,000,000.

The principal terms of the revolving factoring loan under the Factoring Agreement (Customer F) are set out as below:

Date	:	29 June 2018
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Parties	:	(1) Customer F, a company established in the PRC with limited liability which principally engages in, among other things, sale of metal and construction materials. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Customer F 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.
Credit limit	:	RMB200,000,000
Type of credit limit	:	Revolving
Factoring loan prepayment ratio	:	Not more than 100% of the accounts receivable assigned or not more than 80% of the purchase orders assigned
Interest rate	:	not more than 15% per year (the exact rate to be negotiated upon each drawdown)
Service fee	:	not more than 2% per accounts receivable assigned (the exact rate to be negotiated upon each drawdown)
Expiry date of the credit limit	:	30 April 2019
Right to recourse	:	The factoring is with recourse
Notice	:	Whether the factoring is with or without notification is to be determined based on the accounts receivable or purchase orders assigned.

The interest rate and the service fee in the Factoring Agreement (Customer F) were determined by the parties on arm's length negotiation taking into account i) the credit rating of Customer F and the debtors of the accounts receivable provided by Customer F; ii) the credit period; and iii) the factoring was with recourse.

If the credit limit was never utilized within 90 days by Customer F from the date of signing of the Factoring Agreement (Customer F), SY Factoring shall cease the provision of the credit limit to Customer F.

MATERIAL CHANGE OF TERMS OF THE PREVIOUSLY ANNOUNCED DISCLOSEABLE TRANSACTIONS —

(I) SUPPLEMENTAL FACTORING AGREEMENT (CUSTOMER G)

Reference is made to the announcement of the Company dated 21 May 2018.

Customer G is a company established in the PRC and is principally engaged in, among other things, sales of steel and metal products.

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Supplemental Factoring Agreement (Customer G) with Customer G pursuant to which the Factoring Agreement (Customer G) is revised to include two additional debtor groups approved by SY Factoring so that Customer G can utilize the accounts receivable owing from the said debtor groups as security for the factoring loan.

Save as disclosed above, all the terms of the Factoring Agreement (Customer G) shall remain materially unchanged and in full force and effect and binding on the parties.

(II) SECOND SUPPLEMENTAL FACTORING AGREEMENT (CUSTOMER H)

Reference is made to the announcement of the Company dated 21 May 2018.

The Board hereby announces that on 29 June 2018, SY Factoring entered into the Second Supplemental Factoring Agreement (Customer H) with Customer H pursuant to which the Factoring Agreement (Customer H) (as supplemented by the First Supplemental Factoring Agreement (Customer H)) is revised to include an additional debtor group approved by SY Factoring so that Customer H can utilize the accounts receivable owing from the said debtor group as security for the factoring loan.

Save as disclosed above, all the terms of the Factoring Agreement (Customer H) (as supplemented by the First Supplemental Factoring Agreement (Customer H)) shall remain materially unchanged and in full force and effect and binding on the parties.

REASONS FOR THE FACTORING AGREEMENTS

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

Owing to its business need, each of the Customers negotiated with the Group for entering into the Factoring Agreements. Since each of the Customers is able to provide the accounts receivable assignable to the Group or procure its creditors to assign the accounts receivable to the Group as securities for the guarantee provided by SY Factoring (as the case may be), upon the request of each of the Customers and upon the approval of such request by the Group after assessment on the quality of the accounts receivables provided by each of the Customers, the Group entered into the Factoring Agreements with each of the Customers respectively.

Given that the entering into of the Factoring Agreements are being conducted in the ordinary and usual course of business of the Group, which will contribute profit to the Company over the terms of the Factoring Agreements, are under normal commercial terms, and are beneficial to the Group in its business expansion and establishment of long term business relationship with each of the Customers, the Directors are of the view that the terms of the Factoring 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 each of the Supplemental Factoring Agreement (Customer G) and the Second Supplemental Factoring Agreement (Customer H) constitutes material change to the terms of its respective preceding agreements and the Company shall re-comply with the requirements under Chapter 19 of the GEM Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Factoring Agreements each exceeds 5% but is less than 25%, each of the Factoring 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” the accounts receivable due from Customer E to the creditors of Customer E

- “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
“Customer A”	a company established in the PRC with limited liability which principally engages in, among other things, sales of coke, coal and electronic products
“Customer B”	a company established in the PRC with limited liability which principally engages in, among other things, sales of coke, coal and electronic products
“Customer C”	a company established in the PRC with limited liability which principally engages in, among other things, wholesale and retail of fuel oil and metal and construction materials
“Customer D”	a company established in the PRC with limited liability which principally engages in, among other things, supply chain management services and network technology consulting and development services
“Customer E”	a company established in the PRC with limited liability which principally engages in, among other things, the trade of oil and petroleum products
“Customer F”	a company established in the PRC with limited liability which principally engages in, among other things, sale of metal and construction materials
“Customer G”	a company established in the PRC with limited liability which principally engages in, among other things, sales of steel and metal products
“Customer H”	a company established in the PRC with limited liability which principally engages in, among other things, sale of metal and construction materials
“Customers”	collectively, Customer A, Customer B, Customer C, Customer D, Customer E, Customer F, Customer G and Customer H
“Director(s)”	the director(s) of the Company

“Factoring Agreement (Customer A)”	the factoring agreement between Customer A and Yong Zhuo on 29 June 2018
“Factoring Agreement (Customer B)”	the factoring agreement between Customer B and Yong Zhuo on 29 June 2018
“Factoring Agreement (Customer C)”	the factoring agreement between Customer C and Yong Zhuo on 29 June 2018
“Factoring Agreement (Customer D)”	the factoring agreement between Customer D and Yong Zhuo on 29 June 2018
“Factoring Agreement (Customer F)”	the factoring agreement between Customer F and SY Factoring on 29 June 2018
“Factoring Agreement (Customer G)”	the factoring agreement between Customer G and SY Factoring on 21 May 2018
“Factoring Agreement (Customer H)”	the factoring agreements between Customer H and SY Factoring on 25 April 2018
“Factoring Agreements”	collectively, the Factoring Agreement (Customer A), the Factoring Agreement (Customer B), the Factoring Agreement (Customer C), the Factoring Agreement (Customer D), the Supplemental Reverse Factoring Agreement (Customer E), the Factoring Agreement (Customer F), the Supplemental Factoring Agreement (Customer G) and the Second Supplemental Factoring Agreement (Customer H)
“First Supplemental Factoring Agreement (Customer H)”	the first supplemental factoring agreement between Customer H and SY Factoring on 25 April 2018
“Framework Agreement (Customer A)”	the framework agreement between Customer A and Yong Zhuo on 29 June 2018
“Framework Agreement (Customer B)”	the framework agreement between Customer B and Yong Zhuo on 29 June 2018
“Framework Agreement (Customer C)”	the framework agreement between Customer C and Yong Zhuo on 29 June 2018
“Framework Agreement (Customer D)”	the framework agreement between Customer D and Yong Zhuo on 29 June 2018
“GEM”	the GEM operated by the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“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
“Reverse Factoring Agreement (Customer E)”	the reverse factoring agreement between Customer E and SY Factoring on 14 March 2018
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Factoring Agreement (Customer H)”	the second supplemental factoring agreement between Customer H and SY Factoring on 29 June 2018
“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
“Supplemental Reverse Factoring Agreement (Customer E)”	the supplemental reverse factoring agreement between Customer E and SY Factoring on 29 June 2018
“Supplemental Factoring Agreement (Customer G)”	the supplemental factoring agreement between Customer G and SY Factoring on 29 June 2018

“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
“Yong Zhuo”	霍爾果斯永卓商業保理有限公司 (Khorgos Yong Zhuo Factoring Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Group
“%”	per cent

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

Hong Kong, 2 July 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.

This announcement will remain on the Stock Exchange’s website at www.hkexnews.hk and, in the case of this announcement, on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.shengyecapital.com.