
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sheng Ye Capital Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s), or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or transferee(s).

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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

PROPOSALS FOR

(1) DECLARATION OF FINAL DIVIDEND

(2) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AND REPORTS OF DIRECTORS AND AUDITORS,

(3) RE-ELECTION OF RETIRING DIRECTORS,

(4) RE-APPOINTMENT OF AUDITORS,

(5) GRANTING OF GENERAL, REPURCHASE AND EXTENSION MANDATES

AND

NOTICE OF 2019 ANNUAL GENERAL MEETING

This circular, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 circular 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 circular misleading.

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A notice convening the 2019 AGM of the Company to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 6 May 2019 at 4 p.m. at which the above proposals will be considered is set out on pages 17 to 21 of this circular.

Whether or not you are able to attend the 2019 AGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2019 AGM or any adjournment thereof (as the case may be). Completion and delivery of a form of proxy will not preclude you from attending and voting in person at the 2019 AGM or at any adjournment thereof if you so wish.

This circular together with the form of proxy will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of publication and on the Company’s website at www.shengyecapital.com.

1 April 2019

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on the GEM which are generally small and mid-sized companies, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on the GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2018 Annual Report”	the annual report of the Company for the financial year ended 31 December 2018 despatched to the Shareholders on 21 March 2019;
“2019 AGM”	the annual general meeting of the Company convened to be held on Monday, 6 May 2019 at 4 p.m., at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong, notice of which is set out on pages 17 to 21 of this circular, and any adjournment thereof;
“2019 AGM Notice”	the notice convening the 2019 AGM as set out on pages 17 to 21 of this circular;
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Audit Committee”	the audit committee of the Board;
“Auditors”	the auditor of the Company;
“Board”	the board of Directors;
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Company”	Sheng Ye Capital Limited 盛業資本有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM (stock code: 8469);
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate;
“GEM”	the GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM as amended, supplemented or otherwise modified from time to time;

DEFINITIONS

“General Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with the number of Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution at the 2019 AGM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	25 March 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Date”	6 July 2017, being the date on which dealing in the Shares first commenced on the GEM;
“Nomination Committee”	the nomination committee of the Board;
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares of the number of Shares not exceeding 10% of the total number of Shares in issue as at the date of passing the relevant resolution at the 2019 AGM;
“Retiring Directors”	the Directors retiring at the 2019 AGM and, being eligible, who offer themselves for re-election at the 2019 AGM, in accordance with the Articles of Association;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



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

Board of Directors:

Executive Directors:

Mr. Tung Chi Fung (*Chairman*)
Mr. Chen, Jen-Tse

Independent Non-Executive Directors:

Mr. Hung Ka Hai Clement
Mr. Loo Yau Soon
Mr. Tsoon Wai Mun, Benjamin
Mr. Fong Heng Boo

Company Secretary:

Mr. Lo Wai Hung

Registered Office:

PO Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

**Headquarters and principal place
of business in the PRC:**

10/F Kerry Plaza Tower 2
1-1 Zhong Xin No. 4 Road
Futian, Shenzhen 518048
PRC

**Principal Place of Business
in Hong Kong:**

Room 4202, 42/F
Tower 1
Lippo Centre
89 Queensway
Admiralty
Hong Kong

1 April 2019

Dear Shareholder(s),

PROPOSALS FOR
(1) DECLARATION OF FINAL DIVIDEND
(2) ADOPTION OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND REPORTS OF DIRECTORS AND AUDITORS,
(3) RE-ELECTION OF RETIRING DIRECTORS,
(4) RE-APPOINTMENT OF AUDITORS,
(5) GRANTING OF GENERAL, REPURCHASE AND EXTENSION MANDATES
AND
NOTICE OF 2019 ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

1. Introduction

The purpose of this circular is to give Shareholders notice of the forthcoming 2019 AGM to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 6 May 2019 at 4 p.m.. The circular also provides information regarding resolutions to be proposed at the 2019 AGM, in particular, the proposed ordinary resolutions to approve (i) declaration of final dividend; (ii) the adoption of audited consolidated financial statements and the reports of the Directors and the Auditors; (iii) the re-election of the Retiring Directors; (iv) the proposed re-appointment of the Auditors; and (v) the grant to the Board general mandates to issue and repurchase Shares.

2. Declaration of Final Dividend

Reference is made to the results announcement for the year ended 31 December 2018 of the Company dated 8 March 2019. The Board has recommended a final cash dividend for the year ended 31 December 2018 of HK4 cents per Share, and will be paid around 31 May 2019 to those Shareholders whose names appear on the Company's register of members on 17 May 2019 which is subject to the approval of the Shareholders at the 2019 AGM and compliance with the Articles of Association and any other applicable laws of the Cayman Islands. An ordinary resolution will be proposed at the 2019 AGM to approve the declaration of the final dividend.

3. Adoption of the Audited Consolidated Financial Statements and the Reports of the Directors and the Auditors for the Year Ended 31 December 2018

The audited consolidated financial statements of the Company for the year ended 31 December 2018 together with the Reports of the Directors and the Auditors, are set out in the 2018 Annual Report which was despatched to the Shareholders on 21 March 2019. The 2018 Annual Report may be viewed and downloaded from the Company's website (www.shengyecapital.com) and the Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk). The audited consolidated financial statements have been reviewed by the Audit Committee.

4. Re-election of Retiring Directors

The Board currently consists of two executive Directors, namely, Mr. Tung Chi Fung (Chairman) and Mr. Chen, Jen-Tse and four independent non-executive Directors, namely, Mr. Hung Ka Hai Clement, Mr. Loo Yau Soon, Mr. Tsoon Wai Mun, Benjamin and Mr. Fong Heng Boo.

Pursuant to article 112 of the Articles of Association, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of members after his appointment and be subject to re-election at such meeting; and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to article 108(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

LETTER FROM THE BOARD

Accordingly, Mr. Hung Ka Hai Clement, Mr. Tsoon Wai Mun, Benjamin and Mr. Fong Heng Boo shall retire at the 2019 AGM and being eligible, offer themselves for re-election.

Details of the Retiring Directors that are required to be disclosed under the GEM Listing Rules are set out in **Appendix I** to this circular.

The re-election of Directors has been reviewed by the Nomination Committee which recommended to the Board that the re-election be proposed for Shareholders' approval at the 2019 AGM. The nominations were made in accordance with the nomination policy of the Company and the candidates were considered based on objective criteria, having due regard for the benefits of diversity on the board of directors as set out in the board diversity policy of the Company, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee has also taken into account the continuous effective contribution and commitment to the Group and the respective skills, knowledge, background and experience of the Retiring Directors.

The Nomination Committee has also assessed the independence of all the independent non-executive Directors. All the independent non-executive Directors satisfy the Independence Guidelines set out in Rule 5.09 of the GEM Listing Rules and have provided to the Company an annual written confirmation of their independence.

5. Re-Appointment of Auditors

The Board (which agreed with the view of the Audit Committee) recommended that, subject to the approval of the Shareholders at the 2019 AGM, Deloitte Touche Tohmatsu will be re-appointed as the external Auditors of the Company for 2019.

6. Granting of General, Repurchase and Extension Mandates

An ordinary resolutions will be proposed at the 2019 AGM to grant (i) the General Mandate to the Directors to issue, allot and dispose of such number of additional Shares not exceeding 20% of the total number of Shares in issue at the date of the passing of the relevant resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution); and (ii) the Repurchase Mandate to repurchase Shares not exceeding 10% of total number of Shares in issue at the date of the passing of the relevant resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution).

As at the Latest Practicable Date, a total of 878,859,000 Shares were in issue. Subject to the passing of the proposed resolution granting the General Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the 2019 AGM, the Company will be allowed under the General Mandate to issue a maximum of

LETTER FROM THE BOARD

175,771,800 Shares. Subject to the passing of the proposed resolutions for the approval of the General Mandate and the Repurchase Mandate and in accordance with the terms therein, the Company will be allowed and to repurchase a maximum of 87,885,900 Shares, on the basis that no further Shares will be issued or repurchased by the Company between the Latest Practicable Date to the date of the 2019 AGM.

In addition, subject to the passing of the resolutions to grant the General Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2019 AGM to authorise the Directors to extend the General Mandate to allot and issue Shares by an amount of Shares representing the number of Shares purchased or repurchased by the Company pursuant to the authority granted to the Directors under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Repurchase Mandate.

With reference to these resolutions, the Board wishes to state that it has no immediate plans to issue any new Shares pursuant to such mandate.

The General Mandate and the Repurchase Mandate will expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate.

An explanatory statement, as required under Rule 13.08 of the GEM Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchanges of their own securities on the Stock Exchanges, to provide requisite information to the Shareholders for considering the proposal to authorise the Board to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of this ordinary resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of Shares after the passing of such resolution) is set out in **Appendix II** to this circular.

7. 2019 Annual General Meeting

A notice convening the 2019 AGM to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 6 May 2019 at 4 p.m. is set out in **Appendix III** to this circular.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the 2019 AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results of the 2019 AGM will be made by the Company after the 2019 AGM, in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

A proxy form for use at the 2019 AGM is enclosed with this circular. Whether the Shareholders are able to attend the 2019 AGM in person or not, they should complete, sign and return the proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2019 AGM or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting at the 2019 AGM or any adjournment thereof should the Shareholders so wish.

An announcement will be made by the Company following the conclusion of the 2019 AGM to inform Shareholders of the results of the 2019 AGM.

8. Recommendation

At the 2019 AGM, ordinary resolutions will be proposed to approve, (i) declaration of final dividend; (ii) the adoption of the audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2018; (iii) the re-election of Retiring Directors; (iv) the re-appointment of Auditors; and (v) the granting of the General, Repurchase and Extension Mandates.

The Board considers that the ordinary resolutions as set out in the 2019 AGM Notice are all in the best interests of the Company and Shareholders as a whole. The Board also considers that it is in the interests of the Company and Shareholders to elect those Retiring Directors. Accordingly, the Board recommends the Shareholders to vote in favour of all such resolutions at the 2019 AGM.

9. Closure of Register of Members

To ascertain Shareholders' eligibility to attend and vote at the 2019 AGM, the register of members of the Company for the 2019 AGM will be closed from Tuesday, 30 April 2019 to Monday, 6 May 2019, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the 2019 AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 29 April 2019.

To ascertain Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 15 May 2019 to Friday, 17 May 2019, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 14 May 2019.

LETTER FROM THE BOARD

10. Responsibility of Directors

This circular, 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 circular 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 circular misleading.

11. General Information

Your attention is also drawn to the additional information set out in the appendices to this circular.

12. Language

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

As required by the GEM Listing Rules, the particulars of the Directors proposed to be re-elected at the 2019 AGM are set out in this Appendix I.

EXECUTIVE DIRECTORS**INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. Hung Ka Hai Clement, aged 63, was appointed as the Independent Non-executive Director in June 2017. He is the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee.

Mr. Hung had served Deloitte China for 31 years where he had assumed various leadership roles before he took up the chairman role of Deloitte China from 2014 to 2016. He retired from the chairman role of Deloitte China with effect from June 2016. When Mr. Hung was working with Deloitte China, he had assumed various leadership roles, including, the office managing partner of Deloitte Shenzhen Office and Guangzhou Office. He was also a member of the China Management Team of Deloitte China. Later on, Mr. Hung assumed the role of the southern audit leader and the deputy managing partner of the southern region (including the regions of Hong Kong, Macau, Shenzhen, Guangzhou and Xiamen).

Mr. Hung served as the Guangzhou Institute of Chartered Accountants consultant from 2004 to 2014. During the period between 2006 to 2011, he also served as a member of the Political Consultative Committee of Luohu District, Shenzhen. He has also been appointed by the Ministry of Finance of People's Republic of China as an expert consultant.

Mr. Hung has been appointed as 1) an independent non-executive director of Gome Finance Technology Co., Ltd. (stock code: 0628) since 31 October 2016; 2) as an independent non-executive director of SMI Holdings Group Limited (stock code: 0198) on 16 January 2017, re-designated as non-executive director thereof with effect from 15 March 2017 and subsequently resigned on 28 February 2019; 3) as an independent non-executive director of LT Commercial Real Estate Limited (stock code: 0112) on 24 February 2017, re-designated as non-executive director with effect from 3 March 2017, re-designated as an independent non-executive director thereof with effect from 30 June 2017 and subsequently resigned on 30 September 2018; 4) as a non-executive director of High Fashion International Limited (stock code:0608) since 1 December 2017; 5) as an independent non-executive director of Zhongchang International Holdings Group Limited (previously known as Henry Group Holdings Limited) (stock code: 0859) since 12 January 2018; and 6) as an independent non-executive director of Aoyuan Healthy Life Group Company Limited (stock code: 3662) since 22 February 2019.

As at the Latest Practicable Date, Mr. Hung is interested in 200,000 share options of the Company (representing approximately 0.023% of the issued share capital of the Company).

Mr. Hung has entered into a letter of appointment with the Company for an initial term of 3 years commencing from the Listing Date renewable subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association. Mr. Hung is entitled to a remuneration of HK\$360,000 per annum which has been approved by the Board and is determined by arm's length negotiation between Mr. Hung and the Company with reference to his duties and responsibilities within the Company.

Mr. Twoon Wai Mun, Benjamin, aged 30, was appointed as the Independent Non-executive Director in June 2017. He is a member of each of the Audit Committee and the Nomination Committee. Mr. Twoon's experiences include financial services, corporate finance and financial technology. He was as a management associate at Citibank N.A. (Singapore) from July 2013 to September 2014, where he was responsible for assessment of the productivity metrics of branches in various countries and implementation of plans to improve productivity. From September 2014 to April 2015, Mr. Twoon worked as a business development (M&A) executive in Pavilion Energy Management Pte Ltd., in Singapore, where he was responsible for the evaluation and management of investments in the oil and gas industry in various countries, formulating investment strategies and identifying potential acquisition targets. Mr. Twoon is currently the co-founder and chief operating officer of a licensed regional Fintech platform, Fundnel Pte Limited, since July 2015, and he is responsible for investments, business development and overseeing the operations of the company in 6 markets. Mr. Twoon is also a non-executive Director of Anthill Capital Pte Ltd since May 2016, a regional investment and incubation platform, where he is responsible for evaluation of investments and syndication efforts across technology-related opportunities across Asia. In May 2017, Mr. Twoon was appointed as a non-executive Director of Y Ventures Group, an e-commerce retailer and distributor listed on the Singapore Stock Exchange, and resigned in March 2019. He sits on the Remuneration Committee and he is involved in the development of business and growth strategies, as well as frameworks for corporate governance.

As at the Latest Practicable Date, Mr. Twoon is interested in 200,000 share options of the Company (representing approximately 0.023% of the issued share capital of the Company).

Mr. Twoon has entered into a letter of appointment with the Company for an initial term of 3 years commencing from the Listing Date renewable subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association. Mr. Twoon is entitled to a remuneration of HK\$120,000 per annum which has been approved by the Board and is determined by arm's length negotiation between Mr. Twoon and the Company with reference to his duties and responsibilities within the Company.

Mr. Fong Heng Boo, aged 69, was appointed as the independent non-executive Director in September 2018. He obtained a bachelor of accountancy (Honours) in the University of Singapore in August 1973. Mr Fong has over 45 years of experience in auditing, finance, business development and corporate governance. He was with the Auditor-General's Office (AGO), Singapore between 1975 and 1993. He was holding the appointment of Assistant Auditor-General when he left the AGO. Prior to his retirement in 2014, Mr Fong was the Director (Special Duties) at the Singapore Totalisator Board as the Head of Finance and Investment functions. Mr. Fong has been admitted as a fellow chartered accountant of Singapore of the Institute of Singapore Chartered Accountants since August 2004. Mr. Fong has been appointed as 1) an independent director of Colex Holdings Limited, a company listed on the Singapore Exchange (stock code: 567), since March 1999; 2) an independent director of CapitaLand Retail China Trust, a real estate investment trust listed on the Singapore Exchange (stock code: AU8U), since January 2013; 3) an independent director of TA Corporation Ltd, a company listed on the Singapore Exchange (stock code: PA3), since December 2017; and 4) an independent director of Advance SCT Ltd, a company listed on the Singapore Exchange (stock code: 5FH), since July 2018. He has also been an independent director of Asian American Medical Group Limited, a company listed on the Australian Securities Exchange (stock code: AJJ), since August 2009.

Mr. Fong has entered into a letter of appointment with the Company for an initial term of 3 years commencing from the date of appointment renewable subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association. Mr. Fong is entitled to a remuneration of HK\$180,000 per annum which has been approved by the Board and is determined by arm's length negotiation between Mr. Fong and the Company with reference to his duties and responsibilities within the Company.

GENERAL

Save as disclosed above, none of the above Directors:

- (i) held any other positions in any members of the Group as at the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or substantial Shareholders or Controlling Shareholders of the Company as at the Latest Practicable Date;
- (iii) held any other directorships in listed public companies in the three years prior to the Latest Practicable Date; and
- (iv) had any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information in relation to the above Directors that needs to be disclosed pursuant to any of the requirements under Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders pursuant to Rule 17.50(2)(w) of the GEM Listing Rules.

This appendix serves as an explanatory statement, as required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.

1. GEM Listing Rules Relating to the Repurchase of Shares

The GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. Issued Shares

As at the Latest Practicable Date, the total number of Shares in issue were 878,859,000. Subject to the passing of the relevant ordinary resolution in the 2019 AGM Notice and on the basis that no further Shares are issued or repurchased prior to the 2019 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 87,885,900 Shares, representing 10% of the total number of Shares in issue at the date of the passing of the ordinary resolution in the 2019 AGM Notice.

3. Reasons for Repurchase

The Directors believe that it is in the best interests of the Company and Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase the Shares in the market.

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and Shareholders as a whole. The number of Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

4. Funding of Repurchase

The Company is empowered by the Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the laws of the Cayman Islands, the GEM Listing Rules and/or other applicable laws, rules and regulations, as the case may be.

Repurchases of Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the laws of the Cayman Islands, being profits of the Company or out of the proceeds of a fresh issue of the Shares made for the purpose of the repurchase, or, if authorised by the Articles of Association and subject to the laws of the Cayman Islands, out of capital of the Company, and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company before or at the time the Shares are repurchased, or if authorised by the Articles of Association and subject to the laws of the Cayman Islands, out of capital of the Company.

The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or settlement otherwise than in accordance with the trading rules of the Stock Exchange.

5. Impact of Repurchases

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. In the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position of the Company as disclosed in the audited financial statements for the year ended 31 December 2018 contained in the 2018 Annual Report.

6. Share Prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange since the previous twelve months up to the Latest Practicable Date were as follows:

Month	Highest (HKD)	Lowest (HKD)
2018		
May	8.55	7.75
June	8.00	7.17
July	8.13	6.78
August	7.51	7.05
September	7.24	6.80
October	6.98	6.15
November	6.87	6.14
December	6.73	6.23
2019		
January	6.92	6.34
February	8.02	7.12
March (up to and including the Latest Practicable Date)	8.00	7.44

7. Undertaking

The Directors have undertaken to the Stock Exchanges that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to Repurchase Mandate in accordance with the GEM Listing Rules and the laws of the Cayman Islands.

8. Disclosure of Interests

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, their close associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

No other core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. Takeovers Code

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rules 26 and 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued share capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column “Approximate % of the issued share capital before a possible exercise of the Repurchase Mandate” while the respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the 2019 AGM (and assuming that the issued share capital remains unchanged up to the date of the 2019 AGM) is shown under the column “Approximate % of the issued share capital should the Repurchase Mandate be exercised in full”:

Name	Capacity/nature of interest	Number and class of securities (Note 1)	Approximate % of the issued share capital before a possible exercise of the Repurchase Mandate	Approximate % of the issued share capital should the Repurchase Mandate be issued in full
Mr. Tung Chi Fung (“Mr. Tung”) (Note 1)	Beneficiary of a trust and settlor of discretionary trust	555,000,000 (L) (Note 2)	63.15%	70.17%
TMF Trust (Note 1)	Trustee	555,000,000 (L) (Note 2)	63.15%	70.17%
Eander (Note 1)	Interest in a controlled corporation	555,000,000 (L) (Note 2)	63.15%	70.17%
Wisdom Cosmos (Note 1)	Beneficial owner	555,000,000 (L) (Note 2)	63.15%	70.17%
Mr. Chen Jen-Tse	Share option	3,000,000 (Note 3)	0.34%	0.38%
Mr. Hung Ka Hai Clement	Share option	200,000 (Note 3)	0.02%	0.03%
Mr. Loo Yau Soon	Share option	200,000 (Note 3)	0.02%	0.03%
Mr. Twoon Wai Mun, Benjamin	Share option	200,000 (Note 3)	0.02%	0.03%

Notes:

1. Wisdom Cosmos Limited (“**Wisdom Cosmos**”), a company incorporated in the British Virgin Islands (“**BVI**”), is the beneficial owner of 555,000,000 shares of the Company, representing 63.15% shareholding interests in the Company. The entire issued share capital of Wisdom Cosmos is owned by Eander Limited (“**Eander**”), a company incorporated in the BVI, which is in turn wholly owned by TMF (Cayman) Ltd (“**TMF Trust**”), trustee of the Pak Jeff Trust (“**PJ Trust**”), an irrevocable reserved power trust established by Mr. Tung. Mr. Tung and his family members are the beneficiaries of the PJ Trust. Under the SFO, Mr. Tung, TMF Trust and Eander are deemed to be interested in all the shares of the Company registered in the name of Wisdom Cosmos.
2. The letter “L” denotes long position of the shares.
3. This refers to the number of underlying Shares covered by its share option scheme.

In the event that the Directors exercise the Repurchase Mandate in full, the interest of the abovenamed persons would be increased as shown in the table above.

On the basis of the shareholding named above, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeover Code.

10. Share Repurchases made by the Company

No repurchases of Shares have been made by the Company (whether on the GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.



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

NOTICE OF 2019 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**2019 Annual General Meeting**”) of shareholders (the “**Shareholders**”) of Sheng Ye Capital Limited (the “**Company**”) will be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Monday, 6 May 2019 at 4 p.m. for the following purposes:

1. To approve and declare a final dividend of HK4 cents per ordinary share in the issued share capital of the Company for the year ended 31 December 2018 payable to the shareholders whose names appear on the register of members of the Company as at the close of business on Friday, 17 May 2019.
2. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (“**Directors**”) and the Company’s auditors (“**Auditors**”) for the year ended 31 December 2018.
3. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. Hung Ka Hai Clement as an independent non-executive Director.
 - (b) to re-elect Mr. Tsoon Wai Mun, Benjamin as an independent non-executive Director.
 - (c) to re-elect Mr. Fong Heng Boo as an independent non-executive Director.
 - (d) to authorize the board of Directors (“**the Board**”) to fix the Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as the Auditors and to authorise the Board to fix the Auditors’ remuneration.

5. “THAT

- (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (the “Shares”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the number of Shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (“Articles”), shall not exceed 20% of the total number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association of the Company or any other applicable laws of the Cayman Islands; and
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

6. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association of the Company or any other applicable laws of the Cayman Islands; and
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate.”

7. “**THAT** conditional upon resolutions numbered 5 and 6 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 5 above be and is hereby extended by the addition thereto of an amount representing the number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 6 above, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution.”

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

Hong Kong, 1 April 2019

Notes:

- (a) At the 2019 Annual General Meeting, the Chairman of the 2019 Annual General Meeting will put each of the above resolutions to be voted by way of a poll under Article 79 of the Company’s Articles of Association.
- (b) Any shareholder entitled to attend and vote at the 2019 Annual General Meeting is entitled to appoint more than one proxy to attend and on a poll, vote in his/her/its stead in accordance with the Articles of Association of the Company. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the 2019 Annual General Meeting. A proxy need not be a shareholder of the Company.
- (c) To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 48 hours before the time appointed for holding the 2019 Annual General Meeting or any adjournment thereof (as the case may be).
- (d) Completion and return of the proxy form will not preclude a shareholder from attending and voting at the 2019 Annual General Meeting or any adjournment thereof (as the case may be) should the shareholder so desire.
- (e) The Register of Members of the Company will be closed from Tuesday, 30 April 2019 to Monday, 6 May 2019, both days inclusive, during which period no transfer of shares will be effected, to determine shareholders’ entitlement to attend and vote at the 2019 Annual General Meeting. In order to be entitled to attend and vote at the 2019 Annual General Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 4:30 p.m. on Monday, 29 April 2019.
- (f) The Register of Members of the Company will be closed from Wednesday, 15 May 2019 to Friday, 17 May 2019, both days inclusive, during which period no transfer of shares will be effected, to determine shareholders’ entitlement to the proposed final dividend with respect to resolution no. 1 of this notice. In order to be entitled to the proposed final dividend, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, Level 22 Hopewell Centre 183 Queen’s Road East Hong Kong, no later than 4:30 p.m. on Tuesday, 14 May 2019.

- (g) With respect to resolution no. 3 of this notice, Mr. Hung Ka Hai Clement, Mr. Tsoon Wai Mun, Benjamin and Mr. Fong Heng Boo will retire and, being eligible, offer themselves for reelection at the 2019 Annual General Meeting pursuant to article 108(a) and 112 of the Company's Articles of Association.

Details of the above Directors are set out in Appendix I to the Circular. Details of submitting the proposal by a shareholder for nomination of a person for election as a Director at the 2019 Annual General Meeting are set out under the section headed "Re-election of Retiring Directors" in the Circular.

- (h) In relation to resolution no. 6 above, the Explanatory Statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of an authority for the repurchase by the Company of its own shares, as required by the Rules Governing the Listing of Securities on the GEM, is set out in Appendix II to the Circular.

- (i) BAD WEATHER ARRANGEMENTS:

The 2019 Annual General Meeting will be held on Monday, 6 May 2019 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. However, if a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at 9:00 a.m. on Monday, 6 May 2019, the 2019 Annual General Meeting will not be held on that day but will be automatically postponed.

The Company will post an announcement on the website of the Company at www.shengyecapital.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify the Shareholders of the date, time and place of the rescheduled meeting.

Shareholders should make their own decision as to whether they would attend the 2019 Annual General Meeting under bad weather conditions having regard to their own situation and if they should choose to do so, they are advised to exercise care and caution.

- (j) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises two executive Directors: Mr. Tung Chi Fung and Mr. Chen, Jen-Tse; and four independent non-executive Directors: Mr. Hung Ka Hai Clement, Mr. Loo Yau Soon, Mr. Tsoon Wai Mun, Benjamin and Mr. Fong Heng Boo.