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盛業資本
SHENG YE CAPITAL

SHENG YE CAPITAL LIMITED

盛業資本有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8469

**DISCLOSEABLE TRANSACTIONS —
DISPOSAL OF ACCOUNTS RECEIVABLES**

DISPOSAL AGREEMENTS

The Board hereby announces that on 14 May 2019, Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company, entered into the Disposal Agreement A and the Disposal Agreement B with the Purchaser pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivables A and Accounts Receivables B at a consideration of approximately RMB77.6 million and RMB79.1 million respectively.

GEM LISTING RULES IMPLICATIONS

The relevant applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Disposal Agreements on standalone basis are less than 5%; therefore, the Disposal Agreements on standalone basis does not constitute a discloseable transaction of the Company and is not subject to any disclosure requirements pursuant to Chapter 19 of the GEM Listing Rules.

Nevertheless, the Directors consider that since the Previous Disposal Agreements and the Disposal Agreements were entered into by SY Factoring, an indirect wholly owned subsidiary of the Company, with the same Purchaser within 12 months, the transactions contemplated under the Disposal Agreements shall be aggregated with the transactions under the Previous Disposal Agreements under Rule 19.22 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 Disposal Agreements on aggregate basis exceeds 5% but is less than 25%, the Disposal Agreements constitute a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

INTRODUCTION

References are made to the announcements of the Company dated 31 July 2018, 1 August 2018 and 10 September 2018 in relation to the Previous Disposal Agreements.

On 14 May 2019, Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company, entered into the Framework Disposal Agreement with the Purchaser pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivables from Khorgos Yong Zhuo Factoring in an aggregate amount of not more than RMB500 million.

Pursuant to the terms of the Framework Disposal Agreements, on 14 May 2019, Khorgos Yong Zhuo Factoring entered into the Disposal Agreement A and the Disposal Agreement B with the Purchaser pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivables A and Accounts Receivables B at a consideration of approximately RMB77.6 million and RMB79.1 million respectively.

DISPOSAL AGREEMENTS

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

Date: 14 May 2019

- Parties:
- (1) The Purchaser, a company established in the PRC with limited liability and is principally engaged in trust business. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.
 - (2) Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company which principal business is, among other things, commercial factoring.

The Accounts Receivables to be disposed of

The aggregate book values of Accounts Receivables A and Accounts Receivables B were approximately RMB72.7 million and RMB74.3 million respectively. The Accounts Receivables were comprised of accounts receivables due from the Debtor. The expiry dates of Accounts Receivables A and Accounts Receivables B were 2 April 2020 and 27 March 2020 respectively.

On 14 May 2019, Khorgos Yong Zhuo Factoring and the Purchaser entered into two acknowledgement of disposal with the Debtor pursuant to which the parties confirmed the book values of the Accounts Receivables. Further, the Debtor acknowledged that Khorgos Yong Zhuo Factoring was appointed to manage the Accounts Receivables. After the completion of the Disposal Agreements, the Debtor shall continue to pay the monies due under the Accounts Receivables to Khorgos Yong Zhuo Factoring.

The disposal is without recourse against Khorgos Yong Zhuo Factoring, which means that Khorgos Yong Zhuo Factoring is not liable for default in payment by the Debtor.

Considerations and payment terms

The considerations to be paid by the Purchaser to acquire Accounts Receivables A and Accounts Receivables B were approximately RMB77.6 million and RMB79.1 million respectively. The considerations were or will be settled by the Purchaser by paying to the designated bank account of Khorgos Yong Zhuo Factoring for the Accounts Receivables A and Accounts Receivables B on 14 May 2019 and 15 May 2019 respectively.

Basis of determination of the considerations

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

Completion of the disposal

Completion of the Disposal Agreement A and the Disposal Agreement B took place or will take place upon the dates of receipt of the considerations by Khorgos Yong Zhuo Factoring, being 14 May 2019 and 15 May 2019 respectively.

Pursuant to the transfer registration agreement between Khorgos Yong Zhuo Factoring and the Purchaser on 14 May 2019, Khorgos Yong Zhuo Factoring agreed to provide assistance to the Purchaser to register in the Zhongdeng Net the transfer of accounts receivables being disposed of by Khorgos Yong Zhuo Factoring to the Purchaser pursuant to the Framework Disposal Agreement including the Accounts Receivables.

TRUST MANAGEMENT SERVICE

According to the Purchaser, the Purchaser is acquiring the Accounts Receivables for and on behalf of a trust set up by it and using the trust funds. Pursuant to the terms of the Framework Disposal Agreement, Khorgos Yong Zhuo Factoring agreed to provide accounts receivable management service in relation to the Accounts Receivables to the Purchaser. Khorgos Yong Zhuo Factoring shall collect the monies due from the Debtor under the Accounts Receivables for and on behalf of the Purchaser and Khorgos Yong Zhuo Factoring shall transfer the monies collected to a designated bank account of the Purchaser on the date of receipt of the monies (or the next business day if the date of receipt of the monies is not a business day). The services were provided in consideration of the Purchaser agreeing to enter into the Disposal Agreements and therefore no service fee will be charged by Khorgos Yong Zhuo Factoring for the services provided by it.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

After the completion of the transactions under the Disposal Agreements, the Board expects that the Company will record a gain of approximately RMB4.6 million for the Disposal Agreement A and RMB4.6 million for the Disposal Agreement B based on the difference between the book values of the Accounts Receivables being disposed of and the considerations of the disposal, net of sales related taxes.

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

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

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

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

GEM LISTING RULES IMPLICATIONS

The relevant applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the Disposal Agreements on standalone basis are less than 5%; therefore, the Disposal Agreements on standalone basis does not constitute a discloseable transaction of the Company and is not subject to any disclosure requirements pursuant to Chapter 19 of the GEM Listing Rules.

Nevertheless, the Directors consider that since the Previous Disposal Agreements and the Disposal Agreements were entered into by SY Factoring, an indirect wholly owned subsidiary of the Company, with the same Purchaser within 12 months, the transactions contemplated under the Disposal Agreements shall be aggregated with the transactions under the Previous Disposal Agreements under Rule 19.22 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 Disposal Agreements on aggregate basis exceeds 5% but is less than 25%, the Disposal Agreements constitute 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 Receivables A” the accounts receivables to be disposed of pursuant to the Disposal Agreement A
- “Accounts Receivables B” the accounts receivables to be disposed of pursuant to the Disposal Agreement B
- “Accounts Receivables” collectively, Accounts Receivables A and Accounts Receivables B
- “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 GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Debtor”	the underlying debtor of the Accounts Receivables A and Accounts Receivables B which is principally engaged in trading of oil and petrochemical products
“Disposal Agreement A”	the accounts receivables disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 14 May 2019 pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivables A
“Disposal Agreement B”	the accounts receivables disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 14 May 2019 pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivables B
“Disposal Agreements”	collectively, Disposal Agreement A and Disposal Agreement B
“Framework Disposal Agreement”	the framework disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 14 May 2019 pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivables from Khorgos Yong Zhuo Factoring in an aggregate amount of not more than RMB500 million
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on 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
“Khorgos Yong Zhuo Factoring”	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 and a subsidiary of the Group
“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
“Previous Disposal Agreements”	collectively, the accounts receivables disposal agreements between SY Factoring and the Purchaser dated 31 July 2018, 1 August 2018 and 10 September 2018 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivables from SY Factoring, details of which are stipulated in the announcements of the Company dated 31 July 2018, 1 August 2018 and 10 September 2018 respectively
“Purchaser”	the purchaser of the Accounts Receivables under the Disposal Agreements which is principally engaged in trust business
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) having a par value of HK\$0.01 each in the capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“SY Factoring”	盛業商業保理有限公司 (SY Factoring Limited), a company established in the PRC and a subsidiary of the Group

“Zhongdeng Net”

中國人民銀行徵信中心動產融資統一登記系統 (the People’s Bank of China Credit Reference Center Movables Financing Unified Registration System*), a registration system for transfer of accounts receivables in the PRC established under the property law of the PRC

“%”

per cent

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

Hong Kong, 14 May 2019

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; 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.

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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