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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**

**(A) DISCLOSEABLE TRANSACTIONS — FACTORING AGREEMENTS; AND**

**(B) MATERIAL CHANGE OF TERMS OF THE PREVIOUSLY ANNOUNCED DISCLOSEABLE TRANSACTION — SUPPLEMENTAL FACTORING AGREEMENT**

**(A) DISCLOSEABLE TRANSACTIONS — FACTORING AGREEMENTS**

*Factoring Agreement (Tianhe)*

The Board hereby announces that on 27 September 2019, Sheng Peng, an indirect wholly owned subsidiary of the Company, entered into the Factoring Agreement (Tianhe) with Tianhe pursuant to which Sheng Peng granted a revolving factoring loan credit limit of RMB400,000,000 to the Tianhe Group.

*Factoring Agreement (Baichuan)*

The Board hereby announces that on 27 September 2019, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Factoring Agreement (Baichuan) with Baichuan pursuant to which SY Factoring granted a revolving factoring loan credit limit of RMB400,000,000 to the Baichuan Group.

*Supplemental Factoring Agreement (Tianshan)*

The Board hereby announces that on 27 September 2019, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Supplemental Factoring Agreement (Tianshan) with Tianshan pursuant to which the revolving factoring loan credit limit granted to the Tianshan Group was revised from RMB80,000,000 to RMB500,000,000.

*Factoring Agreement (Wanrong)*

The Board hereby announces that on 27 September 2019, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Factoring Agreement (Wanrong) with Wanrong pursuant to which SY Factoring granted a revolving factoring loan credit limit of RMB300,000,000 to the Wanrong Group.

**(B) MATERIAL CHANGE OF TERMS OF THE PREVIOUSLY ANNOUNCED DISCLOSEABLE TRANSACTIONS**

*Supplemental Factoring Agreement (Zhongbang)*

The Board hereby announces that on 27 September 2019, Sheng Peng, an indirect wholly owned subsidiary of the Company, entered into the Supplemental Factoring Agreement (Zhongbang) with Zhongbang pursuant to which i) a revolving factoring loan credit limit of RMB600,000,000 was granted to the companies of the Zhongbang Group jointly; ii) the annual interest rate was revised from not more than 9.5% (including tax) to not more than 15% (including tax); and iii) the factoring loan prepayment ratio was revised from not more than 70% of the accounts receivable assigned to not more than 90% of the accounts receivable assigned.

## **GEM LISTING RULES IMPLICATIONS**

*Discloseable transactions — (i) Factoring Agreement (Tianhe); (ii) Factoring Agreement (Baichuan); (iii) Supplemental Factoring Agreement (Tianshan); and (iv) Factoring Agreement (Wanrong)*

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to (i) Factoring Agreement (Tianhe); (ii) Factoring Agreement (Baichuan); (iii) Supplemental Factoring Agreement (Tianshan); and (iv) Factoring Agreement (Wanrong) each exceeds 5% but is less than 25%, the entering into of each of (i) Factoring Agreement (Tianhe); (ii) Factoring Agreement (Baichuan); (iii) Supplemental Factoring Agreement (Tianshan); and (iv) Factoring Agreement (Wanrong) constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

*Material change of terms of the previously announced discloseable transaction — Supplemental Factoring Agreement (Zhongbang)*

The Directors consider that the Supplemental Factoring Agreement (Zhongbang) constitutes material change to the terms of its preceding agreement 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 Supplemental Factoring Agreement (Zhongbang) exceeds 5% but is less than 25%, the entering into of the Supplemental Factoring Agreement (Zhongbang) constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

## DISCLOSEABLE TRANSACTIONS — FACTORING AGREEMENTS

### (I) FACTORING AGREEMENT (TIANHE)

The Board hereby announces that on 27 September 2019, Sheng Peng, an indirect wholly owned subsidiary of the Company, entered into the Factoring Agreement (Tianhe) with Tianhe pursuant to which Sheng Peng granted a revolving factoring loan credit limit of RMB400,000,000 to the Tianhe Group. The factoring loan is secured by the accounts receivables provided by the Tianhe Group.

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

Date: 27 September 2019

Parties:

- (1) Tianhe, a company established in the PRC with limited liability and is principally engaged in sales of machinery, sales of medicine and medical equipment. As at the date of this announcement, to the knowledge of the Directors, Tianhe is a subsidiary of Realcan Pharmaceutical Group Co.,Ltd. (瑞康醫藥集團股份有限公司), which is A-share listed company in the PRC with stock code of 002589.SZ and is principally engaged in among other things, sales of Chinese medicine, medicine, and medical equipment. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Tianhe Group and its ultimate beneficial owner(s) are Independent Third Parties.
- (2) Sheng Peng, a company established in the PRC with limited liability and is principally engaged in commercial factoring. Sheng Peng is an indirect wholly owned subsidiary of the Company.

Credit limit: RMB400,000,000

Type of credit limit: Revolving

Interest rate per annum: Not more than 15% (including tax)

Effective date of the credit limit: 27 September 2019

Expiry date of the credit limit: 30 April 2020

### **Basis of determination of the factoring loan limit**

The factoring loan limit was determined by the parties based on arm's length negotiation by considering the capital needs of the Tianhe Group. In determining the factoring loan limit, the Group had considered that the Tianhe Group is able to provide accounts receivables of sufficient values (being more than or equal to the amounts of drawdowns) as security for the factoring loans. Further, the Group had also considered that the accounts receivables provided by the Tianhe Group are of quality satisfactory to the Group. In view of the above, the Company considered that the credit limit granted to the Tianhe Group in response to the capital needs of the Tianhe Group is fair and reasonable.

### **Basis of determination of the interest rate**

The interest rate was determined by the parties on arm's length negotiation taking into account the following: i) *the credit rating of the Tianhe Group and the debtors of the accounts receivables of the Tianhe Group*: in general the Group will determine the interest rate based on the credit rating of customers and the debtors of the accounts receivables. The higher the credit rating, the lower the interest rate. The credit ratings of the Tianhe Group and the debtors were assessed internally by the Group's risk management department which considered that the credit ratings of the Tianhe Group and the debtors of the accounts receivables were good without any overdue situation; and ii) *the credit period*: the Group will also take into account the credit period when determining the interest rate. The shorter the credit period, the lower the credit risk.

## **(II) FACTORING AGREEMENT (BAICHUAN)**

The Board hereby announces that on 27 September 2019, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Factoring Agreement (Baichuan) with Baichuan pursuant to which SY Factoring granted a revolving factoring loan credit limit of RMB400,000,000 to the Baichuan Group. The factoring loan is secured by the accounts receivables provided by the Baichuan Group.

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

Date:	27 September 2019
Parties:	<p>(1) Baichuan, a company established in the PRC with limited liability and is principally engaged in sales of coke, coal and construction products. As at the date of this announcement, to the knowledge of the Directors, the ultimate beneficial owner of Baichuan is Wei Yalei, a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Baichuan Group and its ultimate beneficial owner(s) are Independent Third Parties.</p> <p>(2) SY Factoring, a company established in the PRC with limited liability and is principally engaged in commercial factoring. SY Factoring is an indirect wholly owned subsidiary of the Company.</p>
Credit limit:	RMB400,000,000
Type of credit limit:	Revolving
Interest rate per annum:	Not more than 18% (including tax)
Effective date of the credit limit:	27 September 2019
Expiry date of the credit limit:	30 April 2020

#### **Basis of determination of the factoring loan limit**

The factoring loan limit was determined by the parties based on arm's length negotiation by considering the capital needs of the Baichuan Group. In determining the factoring loan limit, the Group had considered that the Baichuan Group is able to provide accounts receivables of sufficient values (being more than or equal to the amounts of drawdowns) as security for the factoring loans. Further, the Group had also considered that the accounts receivables provided by the Baichuan Group are of quality satisfactory to the Group. In view of the above, the Company considered that the credit limit granted to the Baichuan Group in response to the capital needs of the Baichuan Group is fair and reasonable.

## **Basis of determination of the interest rate**

The interest rate was determined by the parties on arm's length negotiation taking into account the following: i) *the credit rating of the Baichuan Group and the debtors of the accounts receivables of the Baichuan Group*: in general the Group will determine the interest rate based on the credit rating of customers and the debtors of the accounts receivables. The higher the credit rating, the lower the interest rate. The credit ratings of the Baichuan Group and the debtors were assessed internally by the Group's risk management department which considered that the credit ratings of the Baichuan Group and the debtors of the accounts receivables were good without any overdue situation; and ii) *the credit period*: the Group will also take into account the credit period when determining the interest rate. The shorter the credit period, the lower the credit risk.

## **(III) SUPPLEMENTAL FACTORING AGREEMENT (TIANSHAN)**

### **Introduction**

On 21 June 2019, SY Factoring entered into the Previous Agreement (Tianshan) with Tianshan pursuant to which SY Factoring to the Tianshan Group agreed to provide a revolving factoring loan with a credit limit of RMB80,000,000 being secured by accounts receivables of the Tianshan Group.

After the entering into of the Previous Agreement (Tianshan), the Tianshan Group applied for utilisations of the revolving factoring loan via several applications respectively which had been approved and granted by SY Factoring. As at the date of this announcement, RMB79.9 million of the revolving factoring loan which was utilised remained outstanding.

### **Supplemental Factoring Agreement (Tianshan)**

The Board hereby announces that on 27 September 2019, SY Factoring entered into the Supplemental Factoring Agreement (Tianshan) with Tianshan pursuant to which the revolving factoring loan credit limit granted to the Tianshan Group was revised from RMB80,000,000 to RMB500,000,000.

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

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

- Date: 27 September 2019
- Parties:
- (1) Tianshan, a company established in the PRC with limited liability and is principally engaged in logistics and trading in oil commodities. As at the date of this announcement, to the knowledge of the Directors, the ultimate beneficial owner of Tianshan is Dong Dejun, a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Tianshan Group and its ultimate beneficial owner(s) are Independent Third Parties<sup>(note)</sup>.
  - (2) SY Factoring, a company established in the PRC with limited liability and is principally engaged in commercial factoring. SY Factoring is an indirect wholly owned subsidiary of the Company.
- Credit limit: RMB500,000,000
- Type of credit limit: Revolving
- Interest rate per annum: Not more than 16% (including tax)
- Effective date of the credit limit: 27 September 2019
- Expiry date of the credit limit: 30 April 2020

*Note:*

1. In March 2016, Mr. Tung’s cousin acquired 50% of the issued share capital of the ultimate holding company of the Tianshan Group and became one of the two directors of the companies within the Tianshan Group. Mr. Tung’s cousin was also a supervisor of SY Factoring before October 2016 and the Group’s other PRC subsidiaries (except Sheng Peng) before September 2016. As at the date of this announcement, Mr. Tung’s cousin had disposed of his equity interest in the ultimate holding company of the Tianshan Group and ceased to have any relationship with the Tianshan Group. Save for disclosed above, the Tianshan Group did not have any relationship with the Group and was an Independent Third Party.



## **Basis of determination of the factoring loan limit**

The factoring loan limit was determined by the parties based on arm's length negotiation by considering the capital needs of the Tianshan Group. In determining the factoring loan limit, the Group had considered that the Tianshan Group is able to provide accounts receivables of sufficient values (being more than or equal to the amounts of drawdowns) as security for the factoring loans. Further, the Group had also considered that the accounts receivables provided by the Tianshan Group are of quality satisfactory to the Group. In view of the above, the Company considered that the credit limit granted to the Tianshan Group in response to the capital needs of the Tianshan Group is fair and reasonable.

## **Basis of determination of the interest rate**

The interest rate was determined by the parties on arm's length negotiation taking into account the following: i) *the credit rating of the Tianshan Group and the debtors of the accounts receivables of the Tianshan Group*: in general the Group will determine the interest rate based on the credit rating of customers and the debtors of the accounts receivables. The higher the credit rating, the lower the interest rate. The credit ratings of the Tianshan Group and the debtors were assessed internally by the Group's risk management department which considered that the credit ratings of the Tianshan Group and the debtors of the accounts receivables were good without any overdue situation; and ii) *the credit period*: the Group will also take into account the credit period when determining the interest rate. The shorter the credit period, the lower the credit risk.

## **(IV) FACTORING AGREEMENT (WANRONG)**

### **Introduction**

On 16 April 2018, SY Factoring entered into the Previous Agreement (Wanrong) with Wanrong pursuant to which SY Factoring agreed to provide, among other things, i) financing being secured by accounts receivables of Wanrong; ii) accounts receivable management services; and iii) accounts receivable collection services to Wanrong for a period of two years from the date of signing of the Previous Agreement (Wanrong).

### **Factoring Agreement (Wanrong)**

The Board hereby announces that on 27 September 2019, SY Factoring entered into the Factoring Agreement (Wanrong) with Wanrong pursuant to which SY Factoring granted a revolving factoring loan credit limit of RMB300,000,000 to the Wanrong Group.

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

- Date: 27 September 2019
- Parties:
- (1) Wanrong, a company established in the PRC with limited liability and is principally engaged in trading of chemicals. As at the date of this announcement, to the knowledge of the Directors, the ultimate beneficial owner of Wanrong is Zhang Ningshi, a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Wanrong Group and its ultimate beneficial owner(s) are Independent Third Parties.
  - (2) SY Factoring, a company established in the PRC with limited liability and is principally engaged in commercial factoring. SY Factoring is an indirect wholly owned subsidiary of the Company.
- Credit limit: RMB300,000,000
- Type of credit limit: Revolving
- Interest rate per annum: Not more than 16% (including tax)
- Effective date of the credit limit: 27 September 2019
- Expiry date of the credit limit: 30 April 2020

**Basis of determination of the factoring loan limit**

The factoring loan limit was determined by the parties based on arm’s length negotiation by considering the capital needs of the Wanrong Group. In determining the factoring loan limit, the Group had considered that the Wanrong Group is able to provide accounts receivables of sufficient values (being more than or equal to the amounts of drawdowns) as security for the factoring loans. Further, the Group had also considered that the accounts receivables provided by the Wanrong Group are of quality satisfactory to the Group. In view of the above, the Company considered that the credit limit granted to the Wanrong Group in response to the capital needs of the Wanrong Group is fair and reasonable.

## **Basis of determination of the interest rate**

The interest rate was determined by the parties on arm's length negotiation taking into account the following: i) *the credit rating of the Wanrong Group and the debtors of the accounts receivables of the Wanrong Group*: in general the Group will determine the interest rate based on the credit rating of customers and the debtors of the accounts receivables. The higher the credit rating, the lower the interest rate. The credit ratings of the Wanrong Group and the debtors were assessed internally by the Group's risk management department which considered that the credit ratings of the Wanrong Group and the debtors of the accounts receivables were good without any overdue situation; and ii) *the credit period*: the Group will also take into account the credit period when determining the interest rate. The shorter the credit period, the lower the credit risk.

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

### **(I) SUPPLEMENTAL FACTORING AGREEMENT (ZHONGBANG)**

#### **Introduction**

Reference is made to the announcement of the Company dated 29 March 2019.

On 29 March 2019, Sheng Peng entered into the Previous Agreement (Zhongbang) with Zhongbang pursuant to which Sheng Peng agreed to provide a revolving factoring loan with a credit limit of RMB600,000,000 to Zhongbang being secured by accounts receivables of Zhongbang. The factoring loan prepayment ratio was set at not more than 70% of the accounts receivable assigned.

After the entering into of the Previous Agreement (Zhongbang), Zhongbang applied for utilisations of the revolving factoring loan via several applications respectively which had been approved and granted by Sheng Peng. As at the date of this announcement, RMB69.0 million of the revolving factoring loan which was utilised remained outstanding.

#### **Supplemental Factoring Agreement (Zhongbang)**

The Board hereby announces that on 27 September 2019, Sheng Peng entered into the Supplemental Factoring Agreement (Zhongbang) with Zhongbang pursuant to which i) a revolving factoring loan credit limit of RMB600,000,000 was granted to the companies of the Zhongbang Group jointly; ii) the annual interest rate was revised from not more than 9.5% (including tax) to not more than 15% (including tax); and iii) the factoring loan prepayment ratio was revised from not more than 70% of the accounts receivable assigned to not more than 90% of the accounts receivable assigned.

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

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

- Date: 27 September 2019
- Parties:
- (1) Zhongbang, a company established in the PRC with limited liability and is principally engaged in, among other things, sales of Chinese medicine, medicine, and medical equipment. As at the date of this announcement, to the knowledge of the Directors, the ultimate beneficial owner of Zhongbang is Ding Jinsong, a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Zhongbang Group and its ultimate beneficial owner(s) are Independent Third Parties.
  - (2) Sheng Peng, a company established in the PRC with limited liability and is principally engaged in commercial factoring. Sheng Peng is an indirect wholly owned subsidiary of the Company.
- Credit limit: RMB600,000,000
- Type of credit limit: Revolving
- Interest rate per annum: Not more than 15% (including tax)
- Effective date of the credit limit: 27 September 2019
- Expiry date of the credit limit: 30 April 2020

### **Basis of determination of the factoring loan limit**

The factoring loan limit was determined by the parties based on arm's length negotiation by considering the capital needs of the Zhongbang Group. In determining the factoring loan limit, the Group had considered that the Zhongbang Group is able to provide accounts receivables of sufficient values (being more than or equal to the amounts of drawdowns) as security for the factoring loans. Further, the Group had also considered that the accounts receivables provided by the Zhongbang Group are of quality satisfactory to the Group. In view of the above, the Company considered that the credit limit granted to the Zhongbang Group in response to the capital needs of the Zhongbang Group is fair and reasonable.

### **Basis of determination of the interest rate**

The interest rate was determined by the parties on arm's length negotiation taking into account the following: i) *the credit rating of the Zhongbang Group and the debtors of the accounts receivables of the Zhongbang Group*: in general the Group will determine the interest rate based on the credit rating of customers and the debtors of the accounts receivables. The higher the credit rating, the lower the interest rate. The credit ratings of the Zhongbang Group and the debtors were assessed internally by the Group's risk management department which considered that the credit ratings of the Zhongbang Group and the debtors of the accounts receivables were good without any overdue situation; and ii) *the credit period*: the Group will also take into account the credit period when determining the interest rate. The shorter the credit period, the lower the credit risk.

### **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.

Owing to its business need, each of the Customers negotiated with the Group for the factoring loan services. Since each of the Customers is able to provide the accounts receivables assignable to the Group, 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. The entering into of the Factoring Agreements will contribute profit to the Company over the financing term and are beneficial to the Group in its business expansion and establishment of long-term business relationship with each of the Customers.

Further, the Directors noted that (i) in view of the good credit rating of the Customers and taking into account the risk assessment being carried out by the Group, granting of the credit limits of the factoring loans for the respective credit terms would not pose significant risk to the Group; (ii) the interest rate and service fee (if any) were in line with the market practice; (iii) the credit rating of the debtors of the accounts receivables being security of the factoring loans were good without any default; and (iv) the Group has comprehensive approval and risk assessment procedures, sound internal control system and established credit risk control policies in place which take into account internal and external factors to determine the approval of factoring loans.

In view of the above, the Directors are of the view that entering into of the Factoring Agreements are being conducted in the ordinary and usual course of business of the Group. The Factoring Agreements under normal commercial terms, are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

### **GEM LISTING RULES IMPLICATIONS**

*Discloseable transactions — (i) Factoring Agreement (Tianhe); (ii) Factoring Agreement (Baichuan); (iii) Supplemental Factoring Agreement (Tianshan); and (iv) Factoring Agreement (Wanrong)*

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to (i) Factoring Agreement (Tianhe); (ii) Factoring Agreement (Baichuan); (iii) Supplemental Factoring Agreement (Tianshan); and (iv) Factoring Agreement (Wanrong) each exceeds 5% but is less than 25%, the entering into of each of (i) Factoring Agreement (Tianhe); (ii) Factoring Agreement (Baichuan); (iii) Supplemental Factoring Agreement (Tianshan); and (iv) Factoring Agreement (Wanrong) constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

*Material change of terms of the previously announced discloseable transactions — Supplemental Factoring Agreement (Zhongbang)*

The Directors consider that the Supplemental Factoring Agreement (Zhongbang) constitutes material change to the terms of its preceding agreement 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 Supplemental Factoring Agreement (Zhongbang) exceeds 5% but is less than 25%, the entering into of the Supplemental Factoring Agreement (Zhongbang) 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.

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Baichuan”	深圳天山百川進出口有限公司 (Shenzhen Tianshan Baichuan Import and Export Company Limited*), a company established in the PRC with limited liability
“Baichuan Group”	Baichuan and its associated companies
“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
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Customers”	collectively, the Tianhe Group, the Baichuan Group, the Tianshan Group, the Wanrong Group and the Zhongbang Group
“Director(s)”	the director(s) of the Company
“Factoring Agreements”	collectively, the Factoring Agreement (Tianhe); Factoring Agreement (Baichuan), Supplemental Factoring Agreement (Tianshan), Factoring Agreement (Wanrong) and Supplemental Factoring Agreement (Zhongbang)
“Factoring Agreement (Baichuan)”	the factoring agreement between SY Factoring and Baichuan dated 27 September 2019
“Factoring Agreement (Tianhe)”	the factoring agreement between Sheng Peng and Tianhe dated 27 September 2019
“Factoring Agreement (Wanrong)”	the factoring agreement between SY Factoring and Wanrong dated 27 September 2019
“GEM”	GEM operated by the Stock Exchange



“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“Mr. Tung”	Mr. Tung Chi Fung, the executive Director and the controlling shareholder 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
“Previous Agreement (Tianshan)”	the factoring agreement between SY Factoring and Tianshan dated 21 June 2019
“Previous Agreement (Wanrong)”	the framework agreement between SY Factoring and Wanrong dated 16 April 2018
“Previous Agreement (Zhongbang)”	the factoring agreement between Sheng Peng and Zhongbang dated 29 March 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) having a par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Sheng Peng”	盛鵬商業保理有限公司 (Sheng Peng Factoring Limited*), a company established in the PRC and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules



“Supplemental Factoring Agreement (Tianshan)”	the supplemental factoring agreement between SY Factoring and Tianshan dated 27 September 2019
“Supplemental Factoring Agreement (Zhongbang)”	the supplemental factoring agreement between SY Factoring and Zhongbang dated 27 September 2019
“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 Company
“Tianhe”	內蒙古天和醫藥有限責任公司 (Neimenggu Tianhe Medicine Company Limited*), a company established in the PRC with limited liability
“Tianhe Group”	Tianhe and its associated companies
“Tianshan”	天津昆侖天山國際貿易有限公司 (Tianjin Kunlun Tianshan International Trading Company Limited*), a company established in the PRC with limited liability
“Tianshan Group”	Tianshan and its associated companies
“Wanrong”	寧波萬榮天誠國際貿易有限公司 (Ningbo Wanrong Tiancheng International Trading Company Limited*), a company established in the PRC with limited liability
“Wanrong Group”	Wanrong and its associated companies
“Zhongbang”	湖南中邦恒盛醫藥有限公司 (Hunan Zhongbang Hengsheng Medicine Company Limited*), a company established in the PRC with limited liability
“Zhongbang Group”	Zhongbang and its associated companies
“%”	per cent

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

Hong Kong, 29 September 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.*

*This announcement will remain on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and, in the case of this announcement, on the “Latest Listed Company Information” 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](http://www.shengyecapital.com).*