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: 6069)

POSITIVE PROFIT ALERT

This announcement is made by Sheng Ye Capital Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of the Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors of the Company (the "**Directors**") is pleased to report to the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to maintain a positive growth trajectory in 2020 despite the challenging economic environment and operating conditions brought about by the COVID-19 pandemic.

The arduous environment did not stop the Group's unwavering commitment towards research and development, as well as its strategic transformation into a leading supply chain digital technology platform to better serve small and medium enterprises ("**SMEs**") in the region. Driven by heightened demand for financing and the Group's ability to provide efficient and flexible services to SMEs in the supply chain finance segment, accumulated connected users to the Group's Easy Factoring cloud platform increased more than 80% over the previous year. As a result of the Group's endeavor of expanding its loan facilitation business, the daily average loan facilitation balance was approximately 14 times higher than that in 2019. Additionally, the Group's efforts of diversifying funding channels also resulted in the number of funding partners increasing more than 50% over the previous year.

Based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, it is expected that the Group may record an increase in profit for the year ended 31 December 2020 by approximately 10% as compared to that for the year ended 31 December 2019. The expected increase was primarily attributable to:

i) Income from information technology services increasing approximately 2 times, which is mainly contributed by the expansion of its loan facilitation business, due to the Group's push towards a platform-based transformation, providing SMEs and core enterprises with convenient supply chain Software as a Service ("**SaaS**") solutions and one-stop financing services.

ii) Significant increase in gain from changes in fair value of financial assets arising from the Group's strategic participation in the equity tranche of asset-backed securities ("**ABS**") and asset-backed notes ("**ABN**") issuances of core enterprise partners.

The Board is confident that the outlook for the business remains stable. The positive profit achieved amidst this difficult period not only reaffirms the sustainability of Group's business model but also the Group's platform-based transformation plan to deepen its leadership and position within the supply chain ecosystem.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the information currently available to the Board, all of which are still subject to review and audit by the Company's auditor and internal review. Further, the information in this announcement is not based on any figures or information reviewed or approved by the audit committee of the Board. The Company is still in the process of finalizing the financial results of the Group for the year ended 31 December 2020, which are subject to possible adjustments upon further review. Shareholders and potential investors are advised to peruse the financial results for the year ended 31 December 2020 which is expected to be published in March 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 8 February 2021

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. Twoon Wai Mun, Benjamin and Mr. Fong Heng Boo.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.