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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: 6069)**

**MATERIAL CHANGES OF TERMS OF  
THE PREVIOUSLY ANNOUNCED DISCLOSEABLE TRANSACTION –  
PROVISION OF GUARANTEE AND COUNTER GUARANTEE**

**THIRD SUPPLEMENTAL GUARANTEE AGREEMENT**

References are made to the announcements of the Company dated 17 May 2019, 3 January 2020 and 3 July 2020 in relation to the Previous Agreements. In 2018, the Group, Wuxi Communications and Wuxi Tonghui established a joint venture, Wuxi Guojin, to cooperate in the factoring business. To finance the business operation of Wuxi Guojin, the Group, Wuxi Communications and Wuxi Tonghui entered into the Previous Agreements.

On 18 June 2021 (after trading hours), SY Factoring, an indirect wholly-owned subsidiary of the Company, entered into the Third Supplemental Guarantee Agreement with Wuxi Communications, Wuxi Tonghui and Wuxi Guojin to amend certain terms of the Previous Agreements. Pursuant to the Third Supplemental Guarantee Agreement, the Previous Secured Obligations under the Previous Agreements were amended and replaced by the Secured Obligations and the maximum aggregate liability of SY Factoring were revised from RMB1 billion to RMB960 million.

**LISTING RULES IMPLICATIONS**

The Directors consider that the entry of the Third Supplemental Guarantee Agreement constitutes a material change to the terms of the Previous Agreements and therefore the Company shall re-comply with the requirements under Chapter 14 of the Listing Rules. Further, since the Guarantee Agreements were entered into with the same parties or their associates within 12 months, the transactions contemplated under the Guarantee Agreements shall be aggregated under Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in relation to the provision of guarantee under the Guarantee Agreements exceeds 5% but is less than 25%, the entry of the Guarantee Agreements constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements.

In addition, as the asset ratio (as defined in the Listing Rules) for the provision of the guarantee under the Guarantee Agreements exceeds 8%, the entry of the Guarantee Agreements is subject to the announcement requirements under Rule 13.13 and Rule 13.15 of the Listing Rules.

## **INTRODUCTION**

References are made to the announcements of the Company dated 17 May 2019, 3 January 2020 and 3 July 2020 in relation to the Previous Agreements. In 2018, the Group, Wuxi Communications and Wuxi Tonghui established a joint venture, Wuxi Guojin, to cooperate in the factoring business. To finance the business operation of Wuxi Guojin, the Group, Wuxi Communications and Wuxi Tonghui entered into the Previous Agreements.

Under the Previous Agreements, the maximum aggregate liability of SY Factoring, based on its indirect shareholding interest in Wuxi Guojin under the Previous Agreements was RMB1 billion.

## **THIRD SUPPLEMENTAL GUARANTEE AGREEMENT**

On 18 June 2021 (after trading hours), SY Factoring, an indirect wholly-owned subsidiary of the Company, entered into the Third Supplemental Guarantee Agreement with Wuxi Communications, Wuxi Tonghui and Wuxi Guojin to amend certain terms under the Previous Agreements. Pursuant to the Third Supplemental Guarantee Agreement, the Previous Secured Obligations under the Previous Agreements were amended and replaced by the Secured Obligations and the maximum aggregate liability of SY Factoring was revised from RMB1 billion to RMB960 million.

Save as disclosed in this announcement, all the terms of the Previous Agreements shall remain materially unchanged and in full force and effect and binding on the parties.

The principal terms of the Third Supplemental Guarantee Agreement are set forth as follows:

Date: 18 June 2021

Parties:

- (1) SY Factoring;
- (2) Wuxi Guojin, a company established in the PRC with limited liability and it is principally engaged in the business of, among other things, the provision of commercial factoring. Wuxi Guojin is owned as to 60% by Wuxi Tonghui and 40% by Sheng Zhuo (a subsidiary of SY Factoring in which SY Factoring owned 51% equity interest) and is an associated company of the Company;

- (3) Wuxi Communications, a state-owned enterprise established in the PRC with limited liability and it is principally engaged in the business of, among other things, the provision of investment in transportation, infrastructure construction and related industries. As at the date of this announcement, to the best knowledge of the Directors after making all reasonable enquiries, save as its indirect shareholding in Wuxi Goujin, Wuxi Communications and its ultimate beneficial owner, the People's Government of Wuxi Municipality\* (無錫市人民政府), are Independent Third Parties; and
- (4) Wuxi Tonghui, a state-owned enterprise established in the PRC with limited liability and a subsidiary of Wuxi Communications which principal business is, among other things, investment and investment management. As at the date of this announcement, to the best knowledge of the Directors after making all reasonable enquiries, save as its shareholding in Wuxi Guojin, Wuxi Tonghui and its ultimate beneficial owner, the People's Government of Wuxi Municipality\* (無錫市人民政府), are Independent Third Parties.

The Secured Obligations:

- (1) if Wuxi Communications, Wuxi Tonghui or their associates provides financing to Wuxi Guojin, SY Factoring shall provide guarantee to Wuxi Communications or Wuxi Tonghui (as the case may be) in proportion to its indirect shareholding interest in Wuxi Guojin (being 40% as at the date of this announcement); and
- (2) if Wuxi Guojin obtains loan from a third party with the consent of (i) Wuxi Communications, (ii) Wuxi Tonghui and (iii) SY Factoring, and at the same time, Wuxi Communications, Wuxi Tonghui or their associates provides guarantee in respect of such loan, SY Factoring shall provide a counter guarantee to Wuxi Communications and/or Wuxi Tonghui (as the case may be) in relation to the security of the loan in proportion to its indirect shareholding interest in Wuxi Guojin (being 40% as at the date of this announcement).

Guarantee limit:

The aggregate maximum liability under the Secured Obligations (1) and (2) provided by SY Factoring shall not exceed RMB960 million.

The guarantee limit was determined on arm's length negotiation between the parties based on the expected business scale of Wuxi Guojin.

## **REASONS FOR THE ENTRY OF THE THIRD SUPPLEMENTAL GUARANTEE AGREEMENT**

The Group is a leading supply chain fintech platform provider of one-stop SaaS and financial services solutions for companies within the industry ecosystem across the Asia-Pacific. Powered by fintech capabilities and an in-depth understanding of the industries it serves, the Group partners with various funding institutions to offer a range of flexible accounts receivable-based supply chain financing products and corporate services to meet the significant and underserved financing needs of SMEs in the region.

On 12 June 2018, Wuxi Tonghui (a wholly-owned subsidiary of Wuxi Communications) and Sheng Zhuo (a subsidiary of SY Factoring in which SY Factoring owned 51% equity interest) established a joint venture, Wuxi Guojin, in the PRC to cooperate in the factoring business. To finance the business operation of Wuxi Guojin, on 17 May 2019, 3 January 2020 and 3 July 2020 respectively, Wuxi Tonghui, Wuxi Communications, SY Factoring and Wuxi Guojin entered into the Previous Agreements. Due to its state-owned enterprise background, Wuxi Communications and Wuxi Tonghui can provide loans to Wuxi Guojin with lower financing costs as compared to the Group. Therefore, Wuxi Guojin may obtain financing from Wuxi Communications, Wuxi Tonghui or their associates directly at a lower interest rate with SY Factoring providing guarantee in proportion to its indirect shareholding interest in Wuxi Guojin. Wuxi Guojin may obtain loans from third parties such as banks in the PRC and allows the Group to use its capital more flexibly in its factoring business. The Directors note that banks in the PRC may offer lower interest rates if the loans are guaranteed by state-owned enterprises. As such, Wuxi Communications and Wuxi Tonghui as state-owned enterprises would agree to provide guarantee for the financing of Wuxi Guojin, and in consideration thereof SY Factoring agrees to provide counter guarantee in proportion to its indirect shareholding interest in Wuxi Guojin.

The above financing practice in the PRC in relation to interest rates, the amendment of the Previous Secured Obligations under the Third Supplemental Guarantee Agreement will provide greater flexibility to the parties in arranging financing for Wuxi Guojin and at the same time broaden the Group's client base and revenue source, which will bring long term benefit to the Group.

Given that the Third Supplemental Guarantee Agreement is being conducted in the ordinary and usual course of business of the Group, under normal commercial terms, and is beneficial to the Group in its business expansion and establishment of long term business relationship with Wuxi Communications and Wuxi Tonghui, the Directors are of the view that the terms of the Third Supplemental Guarantee Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Directors consider that the entry of the Third Supplemental Guarantee Agreement constitutes a material change to the terms of the Previous Agreements and therefore the Company shall re-comply with the requirements under Chapter 14 of the Listing Rules. Further, since the Guarantee Agreements were entered into with the same parties or their associates within 12 months, the transactions contemplated under the Guarantee Agreements shall be aggregated under Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in relation to the provision of guarantee under the Guarantee Agreements exceeds 5% but is less than 25%, the entry of the Guarantee Agreements constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements.

In addition, as the asset ratio (as defined in the Listing Rules) for the provision of the guarantee under the Guarantee Agreements exceeds 8%, the entry of the Guarantee Agreements is subject to the announcement requirements under Rule 13.13 and Rule 13.15 of the Listing Rules.

## 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 Listing Rules
“Board”	board of Directors
“Company”	Sheng Ye Capital Limited (盛業資本有限公司), an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange (stock code: 6069)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee Agreements”	collectively, (i) the Previous Agreements; and (ii) the Third Supplemental Guarantee Agreement
“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 Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 Agreements”	collectively, (i) the guarantee agreement entered into between Wuxi Guojin, Wuxi Communications and SY Factoring on 17 May 2019; (ii) the guarantee agreement entered into between Wuxi Guojin, Wuxi Tonghui and SY Factoring on 17 May 2019; (iii) the supplemental guarantee agreement entered into between SY Factoring, Wuxi Guojin and Wuxi Tonghui on 3 January 2020; and (iv) the second supplemental guarantee agreement entered into between SY Factoring, Wuxi Guojin, Wuxi Communications and Wuxi Tonghui on 3 July 2020

“Previous Secured Obligations”

the previous secured obligations that

- (1) if Wuxi Communications, Wuxi Tonghui or their associates provides financing to Wuxi Guojin, SY Factoring shall provide guarantee to Wuxi Communications or Wuxi Tonghui (as the case may be) in proportion to its indirect shareholding interest in Wuxi Guojin (being 40% as at the date of this announcement);
- (2) if Wuxi Guojin obtains loan from a third party with the consent of (i) Wuxi Communications, (ii) Wuxi Tonghui and (iii) SY Factoring, and at the same time, Wuxi Communications, Wuxi Tonghui or their associates provides guarantee in respect of such loan, SY Factoring shall provide a counter guarantee to Wuxi Communications or Wuxi Tonghui (as the case may be) in relation to the security of the loan in proportion to its indirect shareholding interest in Wuxi Guojin (being 40% as at the date of this announcement); and
- (3) if Wuxi Guojin obtains loan from a third party with the consent of (i) Wuxi Communications, (ii) Wuxi Tonghui and (iii) SY Factoring, and at the same time, SY Factoring provides guarantee in respect of such loan, Wuxi Guojin shall pay the service fee to SY Factoring for the guarantee liability borne by SY Factoring beyond its indirect shareholding interest in Wuxi Guojin (being 40% as at the date of this announcement). The amount of the service fee shall be determined based on the specific risk borne by SY Factoring in relation to each guarantee, including but not limited to (i) the duration of the guarantee; (ii) the amount of the guarantee; and (iii) the credit worthiness of Wuxi Guojin

“RMB”

Renminbi, the lawful currency of the PRC

“Secured Obligations”	<p>the secured obligations that</p> <p>(1) if Wuxi Communications, Wuxi Tonghui or their associates provides financing to Wuxi Guojin, SY Factoring shall provide guarantee to Wuxi Communications or Wuxi Tonghui (as the case may be) in proportion to its indirect shareholding interest in Wuxi Guojin (being 40% as at the date of this announcement); and</p> <p>(2) if Wuxi Guojin obtains loan from a third party with the consent of (i) Wuxi Communications, (ii) Wuxi Tonghui and (iii) SY Factoring, and at the same time, Wuxi Communications, Wuxi Tonghui or their associates provides guarantee in respect of such loan, SY Factoring shall provide a counter guarantee to Wuxi Communications or Wuxi Tonghui (as the case may be) in relation to the security of the loan in proportion to its indirect shareholding interest in Wuxi Guojin (being 40% as at the date of this announcement)</p>
“Share(s)”	ordinary share(s) having a par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holders of Shares
“Sheng Zhuo”	天津盛卓企業管理諮詢有限公司 (Tianjin Sheng Zhuo Management Consulting Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Group. As at the date of this announcement, Sheng Zhuo was owned as to 51% and 49% by SY Factoring and an Independent Third Party, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“SY Factoring”	盛業商業保理有限公司 (SY Factoring Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Group
“Third Supplemental Guarantee Agreement”	the third supplemental guarantee agreement entered into between SY Factoring, Wuxi Guojin, Wuxi Communications and Wuxi Tonghui on 18 June 2021
“Wuxi Communications”	無錫市交通產業集團有限公司 (Wuxi Communications Industry Group Company Limited*), a state-owned enterprise established in the PRC with limited liability and it is principally engaged in the business of, among other things, the provision of investment in transportation, infrastructure construction and related industries, and is the holding company of Wuxi Tonghui

“Wuxi Guojin”	無錫國金商業保理有限公司 (Wuxi Guojin Factoring Limited*), a company established in the PRC with limited liability and it is principally engaged in the business of, among other things, the provision of commercial factoring. Wuxi Guojin is owned as to 60% by Wuxi Tonghui and 40% by Sheng Zhuo and is an associated company of the Company
“Wuxi Tonghui”	無錫通匯投資有限公司 (Wuxi Tonghui Investment Company Limited*), a state-owned enterprise established in the PRC with limited liability and a subsidiary of Wuxi Communications which principal business is, among other things, investment and investment management and is the holder of 60% equity interest in Wuxi Guojin
“%”	per cent

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

Hong Kong, 18 June 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. 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.*