SHENG YE CAPITAL LIMITED
盛業資本有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8469)

DISCLOSEABLE TRANSACTION — DISPOSAL OF ACCOUNTS RECEIVABLE

DISPOSAL AGREEMENT

The Board hereby announces that on 27 November 2018, SY Factoring, an indirect wholly owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable at a consideration of approximately RMB 65.9 million.

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 Agreement on standalone basis are less than 5%; therefore, the Disposal Agreement 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 Agreement were entered into with the same Purchaser under the Framework Disposal Agreement within 12 months, the transactions contemplated under the Disposal Agreement 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 Agreement on aggregate basis exceeds 5% but is less than 25%, the Disposal Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

INTRODUCTION

Reference are made to the announcements of the Company dated 31 October 2018 and 14 November 2018 in relation to the Previous Disposal Agreements.

On 27 November 2018, SY Factoring entered into the Disposal Agreement with the Purchaser whereby SY Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable at a consideration of approximately RMB 65.9 million.

DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are set out as follows.

Date: 27 November 2018

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) SY Factoring, an indirect wholly owned subsidiary of the Company which principal business is, among other things, commercial factoring.

The Accounts Receivable to be disposed of

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

Consideration and payment terms

The consideration to be paid by the Purchaser to acquire the Accounts Receivable was approximately RMB 65.9 million. The consideration was settled by the Purchaser by paying to the designated bank account of SY Factoring on 27 November 2018 for the Accounts Receivable.

Condition of payment

The payment for the acquisition of the Accounts Receivable is conditional upon the Purchaser having received the trust funds from the settlor of the trust set up by the Purchaser for paying the consideration of the Accounts Receivable. As at the date of this announcement, the said condition of payment has been fulfilled.

Basis of determination of the consideration

The consideration was determined on arm's length negotiations between SY Factoring and the Purchaser based on 1) the book value of the Accounts Receivable; 2) the numbers of days between the date of disposal and the expected date of payment by the Debtor; and 3) the credit worthiness of the Debtor.

Completion of the disposal

Completion of the Disposal Agreement took place upon the date of receipt of the consideration by SY Factoring, being 27 November 2018.

Pursuant to the transfer registration agreement between SY Factoring and the Purchaser on 30 September 2018, SY Factoring agreed to provide assistance to the Purchaser to register in the Zhongdeng Net the transfer of accounts receivable being disposed of by SY Factoring to the Purchaser pursuant to the Framework Disposal Agreement including the Accounts Receivable.

TRUST MANAGEMENT SERVICE

According to the Purchaser, the Purchaser is acquiring the Accounts Receivable 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, SY Factoring agreed to provide accounts receivable management service in relation to the Accounts Receivable to the Purchaser. SY Factoring shall collect the monies due from the Debtor under the Accounts Receivable for and on behalf of the Purchaser and SY 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 Agreement and therefore no service fee will be charged by SY 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 Agreement, the Board expects that the Company will record a gain of approximately RMB 4.5 million for the Disposal Agreement based on the difference between the book value of the Accounts Receivable being disposed of and the consideration of the disposal, net of sales related taxes.

The Group intends to use the proceeds from disposal of the Accounts Receivable 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 Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

The Group entered into the Disposal Agreement 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 Agreement was being conducted in the ordinary and usual course of business of SY Factoring and under normal commercial terms, the Directors are of the view that the terms of the Disposal Agreement 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 Agreement on standalone basis are less than 5%; therefore, the Disposal Agreement 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 Agreement were entered into with the same Purchaser under the Framework Disposal Agreement within 12 months, the transactions contemplated under the Disposal Agreement 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 Agreement 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.

"Accounts Receivable"	the accounts receivable to be disposed of pursuant to the Disposal Agreement
"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 the 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 Receivable which is principally engaged in trading of oil and petrochemical products
"Disposal Agreement"	the accounts receivable disposal agreement between SY Factoring and the Purchaser dated 27 November 2018 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable
"Framework Disposal Agreement"	the framework disposal agreement between SY Factoring and the Purchaser dated 30 September 2018 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivable from SY Factoring in an aggregate amount of not more than RMB1,000 million

"GEM"	the GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the 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
"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 receivable disposal agreements between SY Factoring and the Purchaser dated 30 September 2018, 31 October 2018 and 14 November 2018 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivable from three debtors, details of which are stipulated in the announcements of the Company dated 31 October 2018 and 14 November 2018 respectively
"Purchaser"	the purchaser of the Accounts Receivable under the Disposal Agreement 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"	中國人民銀行征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 receivable 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, 27 November 2018