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盛業資本
SHENG YE CAPITAL

The principal terms of the revolving refactoring loan under the Refactoring Agreement are set out as below:

Date	:	29 December 2017
Parties	:	(1) Hong Ji, a company established in the PRC with limited liability which principal business is, among other things, commercial factoring. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Hong Ji 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.
Credit limit	:	RMB300,000,000 (equivalent to approximately HK$357,000,000)
Type of credit limit	:	Revolving refactoring
Interest rate per annum	:	Not more than 8% and the exact interest rate to be determined at the time of each drawdown
Expiry date of the credit limit	:	28 December 2018

The interest rate of the revolving refactoring loan in the Refactoring Agreement is determined by the parties on arm's length negotiation taking into account i) the credit rating of Hong Ji and the debtors of the accounts receivables assigned to Hong Ji from Hong Ji's factoring customers; and ii) the credit period.

REASONS FOR THE REFACTORING AGREEMENT

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 Refactoring Agreement were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Owing to its business need, Hong Ji negotiated with SY Factoring for entering into the Refactoring Agreement. Since Hong Ji is able to provide the accounts receivable re-assignable to the Group, upon the request of Hong Ji and upon the approval of such request by SY Factoring after assessment on the quality of the accounts receivables provided by Hong Ji, SY Factoring entered into the Refactoring Agreement with Hong Ji.

Given that the Refactoring Agreement are being conducted in the ordinary and usual course of business of SY Factoring, which will contribute profit to the Company over the financing term, are under normal commercial terms, and are beneficial to the Group in its business expansion and establishment of long term business relationship with Hong Ji, the Directors are of the view that the terms of the Refactoring Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Company as calculated under Rule 19.07 of the GEM Listing Rules in relation to the revolving refactoring loan credit limit granted to Hong Ji exceeds 5% but is less than 25%, the entering into of the Refactoring 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.

"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors of the Company
"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
"Director(s)"	the director(s) of the Company

"GEM"	the Growth Enterprise Market operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong Dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Ji"	弘基商業保理(深圳)有限公司 (Hong Ji Commercial Factoring (Shenzhen) Limited*), a company established in the PRC with limited liability
"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
"Refactoring Agreement"	the refactoring agreement between SY Factoring and Hong Ji dated 29 December 2017 pursuant to which SY Factoring granted a revolving refactoring loan credit limit of RMB300,000,000 (equivalent to approximately HK$357,000,000) to Hong Ji being secured by accounts receivables assigned to Hong Ji from Hong Ji's factoring customers
"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
"%"	per cent

By order of the Board
Sheng Ye Capital Limited
TC Fung
Chairman

Hong Kong, 29 December 2017