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SHENG YE CAPITAL

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to each of the Disposal Agreements on aggregate basis exceeds 5% but is less than 25%, each of the Disposal Agreements constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements.

INTRODUCTION

Reference is made to the announcements of the Company dated 22 November 2019 and 29 November 2019 in relation to the Previous Disposal Agreements.

On 15 November 2019, Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company, entered into the Framework Disposal Agreement with the Purchaser pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivables from Khorgos Yong Zhuo Factoring in an aggregate amount of RMB1 billion (or such other amount which was raised by the Trust(s) being set up by the Purchaser).

Pursuant to the terms of the Framework Disposal Agreement, on 3 December 2019, Khorgos Yong Zhuo Factoring entered into the Disposal Agreement A, Disposal Agreement B and Disposal Agreement C with the Purchaser pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire Accounts Receivable A, Accounts Receivable B and Accounts Receivable C at a consideration of approximately RMB83.5 million, RMB83.1 million and RMB63.9 million respectively.

THE DISPOSAL AGREEMENTS

The principal terms of the Disposal Agreements are identical except the details of the accounts receivables and considerations involved and are set out as follows:

Date: 3 December 2019

Parties: (1) The Purchaser, a company established in the PRC with limited liability and principally engaged in trust business. As at the date of this announcement, to the knowledge of the Directors, the identity of the ultimate beneficial owner of the Purchaser is Zhang Jun (張峻).

(2) Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company, of which the principal business is, among other things, commercial factoring.

The Accounts Receivables to be disposed of

The book values of the Accounts Receivable A, Accounts Receivable B and Accounts Receivable C were approximately RMB76.9 million, RMB76.7 million and RMB58.8 million respectively. The Accounts Receivable A, Accounts Receivable B and Accounts Receivable C were comprised of accounts receivables due from the Debtor A, Debtor B and Debtor C respectively. The expiry dates of the Accounts Receivable A, Accounts Receivable B and Accounts Receivable C were 13 November 2020, 6 November 2020 and 19 November 2020 respectively.

On 3 December 2019, Khorgos Yong Zhuo Factoring and the Purchaser jointly gave the Disposal Notices to the Debtors and the Creditors that the Accounts Receivables would be transferred to the Purchaser and after completion of the disposal of the Accounts Receivables, the Debtors should pay the monies due under the Accounts Receivables to the Purchaser.

The disposal is without recourse against Khorgos Yong Zhuo Factoring, which means that Khorgos Yong Zhuo Factoring is not liable for default in payment by the Debtors.

Considerations and payment terms

The consideration to be paid by the Purchaser to acquire the Accounts Receivable A, Accounts Receivable B and Accounts Receivable C was approximately RMB83.5

Completion of the disposal

Completion of the Disposal Agreements took place on 3 December 2019.

Pursuant to the Transfer Registration Agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 15 November 2019, Khorgos Yong Zhuo Factoring agreed to provide assistance to the Purchaser to register in the Zhongdeng Net the transfer of accounts receivables being disposed of by Khorgos Yong Zhuo Factoring to the Purchaser pursuant to the Framework Disposal Agreement including the Accounts Receivables.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

After the completion of the disposal under the Disposal Agreements, the Board expects that the Company will record a gain of approximately RMB6.2 million, RMB6.1 million and RMB4.9 million for the Disposal Agreement A, Disposal Agreement B and Disposal Agreement C respectively based on the difference between the respective book values of the Accounts Receivable A, Accounts Receivable B and Accounts Receivable C being disposed of and the considerations of the disposal, net of sales related taxes.

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

The Group entered into the Disposal Agreements 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 Agreements were conducted in the ordinary and usual course of business of Khorgos Yong Zhuo Factoring and under normal commercial terms, the Directors are of the view that the terms of the Disposal Agreements are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

All relevant applicable percentage ratios for the Company as calculated under Rule 14.07 of the Listing Rules in relation to each of the Disposal Agreements on standalone basis are less than 5%; therefore, each of the Disposal Agreements on standalone basis does not constitute a discloseable transaction of the Company and is not subject to any disclosure requirements pursuant to Chapter 14 of the Listing Rules.

Nevertheless, the Directors consider that since the Previous Disposal Agreements and the Disposal Agreements were entered into by Khorgos Yong Zhuo Factoring with the same Purchaser within 12 months, the transactions contemplated under the Disposal Agreements shall be aggregated with the transactions under the Previous Disposal Agreements under Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to each of the Disposal Agreements on aggregate basis exceeds 5% but is less than 25%, each of the Disposal Agreements constitutes a discloseable transaction for the Company under the 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 A"	the accounts receivable to be disposed of pursuant to the Disposal Agreement A
"Accounts Receivable B"	the accounts receivable to be disposed of pursuant to the Disposal Agreement B
"Accounts Receivable C"	the accounts receivable to be disposed of pursuant to the Disposal Agreement C
"Accounts Receivables"	collectively, Accounts Receivable A, Accounts Receivable B and Accounts Receivable C
"Board"	the 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
“Creditors”	collectively, 1) the creditor of the Accounts Receivable A which is principally engaged in

"Disposal Agreement C"	the accounts receivable disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 3 December 2019 pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable C
"Disposal Agreements"	collectively, the Disposal Agreement A, the Disposal Agreement B and the Disposal Agreement C
"Disposal Notices"	the disposal notices given by Khorgos Yong Zhuo Factoring and the Purchaser to the Debtors and the Creditors on 3 Decemer 2019
"Framework Disposal Agreement"	the framework disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser an(the)486.

"Purchaser"	National Trust Limited (國民信託有限公司*)
"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
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Transfer Registration Agreement"	the transfer registration agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 15 November 2019
"Trust(s)"	trust(s) which were set up by the Purchaser
"Zhongdeng Net"	中國人民銀行徵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 receivables 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, 3 December 2019

As at the date o this announcement, the Board comprises two executive Directors: Mr. Tung Chi Fung and Mr. Chen Jen-Tse; and our independent non-executive Directors: Mr. Hung Ka Hai Clement, Mr. Loo Yau Soon, Mr. Twoon Wai Mun, Benjamin and Mr. Fong Heng Boo.

The English transliteration o the Chinese name(s) in this announcement, where indicated with "", is included or in ormation purpose only, and should not be regarded as the o icial English name(s) o such Chinese name(s).*

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