

2022 Annual Results



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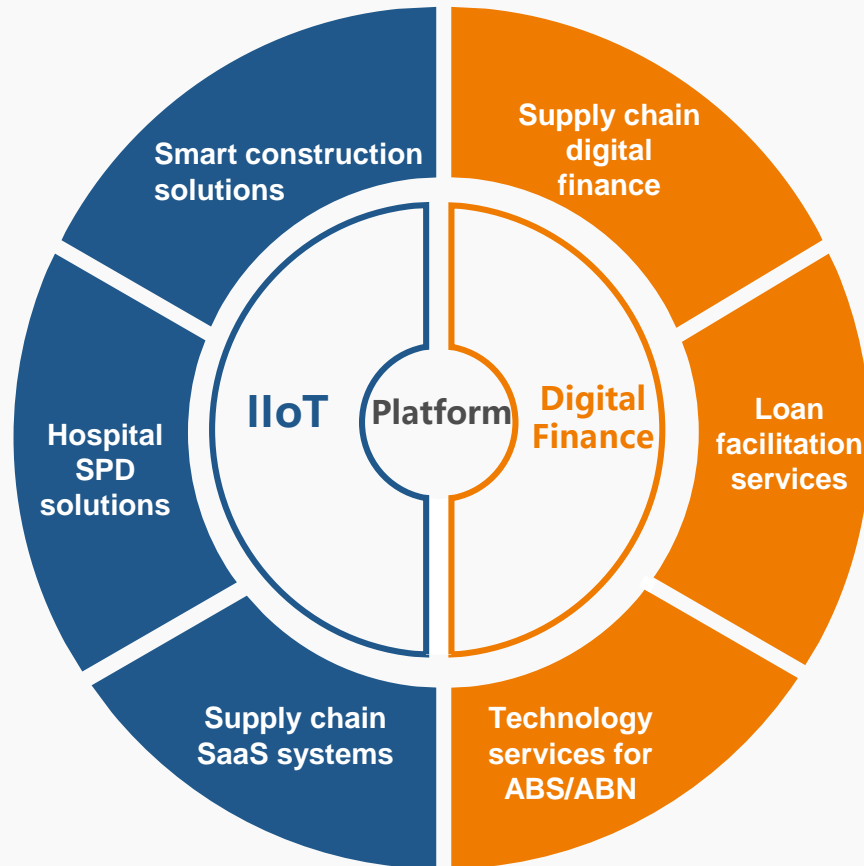
01

Company Overview

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A Leading Supply Chain Technology Platform



Cumulative supply chain assets processed
RMB
~ 159 bn
↗ **20%** YoY growth

Total platform users
12,788
↗ **23%** YoY growth

Total Revenue
RMB
~ 800 mn
↗ **39%** YoY growth

Technology services revenue*
RMB
> 100 mn
↗ **106%** YoY growth

Driving Supply Chain Efficiency | Making Finance More Inclusive

Using IIoT to drive the digitalization and upgrade of strategic industries in China, including the infrastructure and medical segments



Building an industrial “digital ecosystem”



Enabling SMEs to develop their own digital credit and transaction profiles within the ecosystem, reducing reliance on core enterprises for confirmation and guarantee

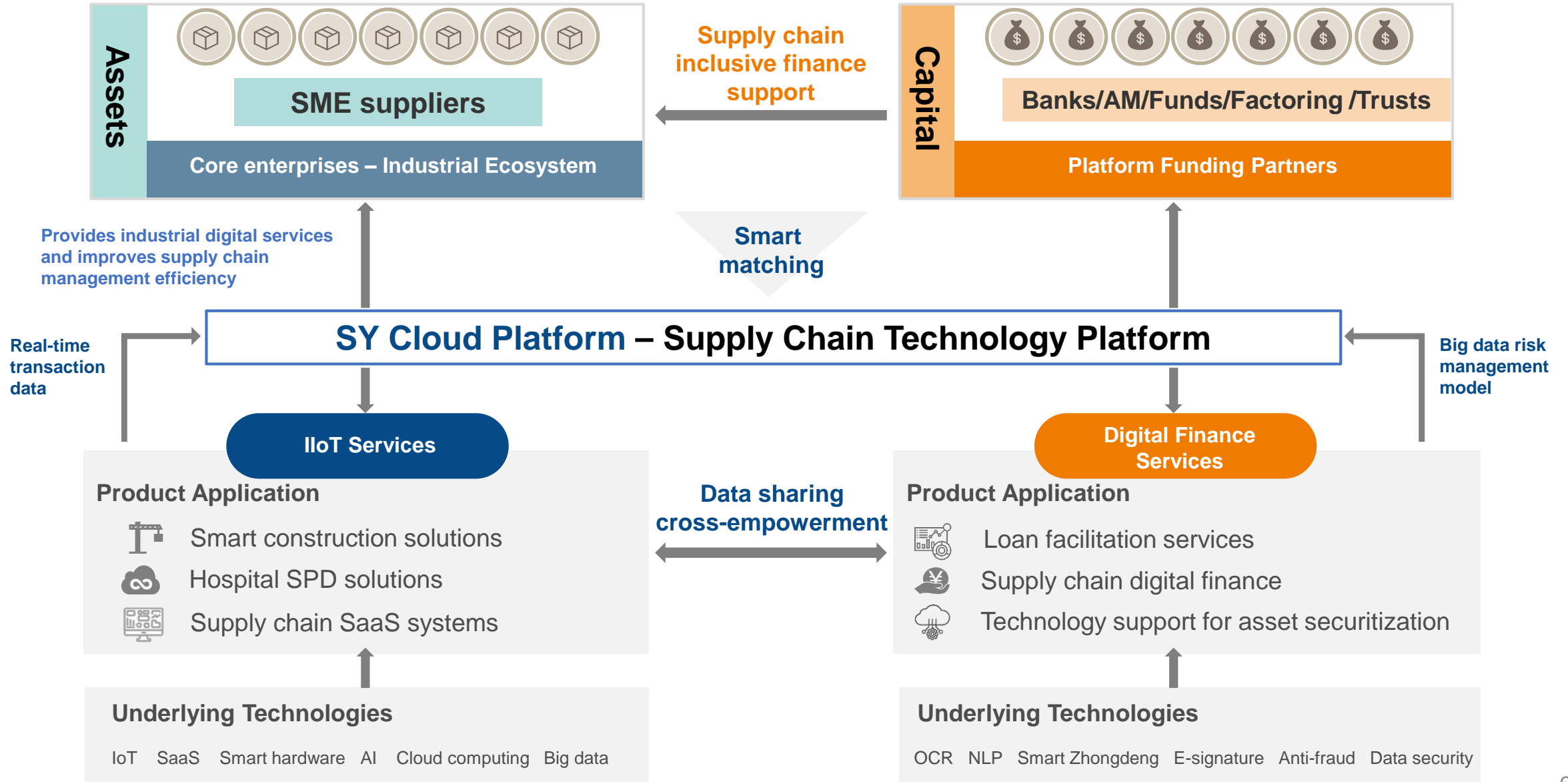


Endorsed by renowned institutions



Recognized by capital markets





2014 - 2017

2017 - 2022

2022 - Future



Sheng Ye Finance Limited



Sheng Ye Capital Limited



SY Holdings Group Limited

Positioning

Supply chain financial services provider

Supply chain fintech platform

Supply chain technology platform

Development directions

Profit, Persistence

Scale, Platformisation

Technology-empowered Ecosystem Building

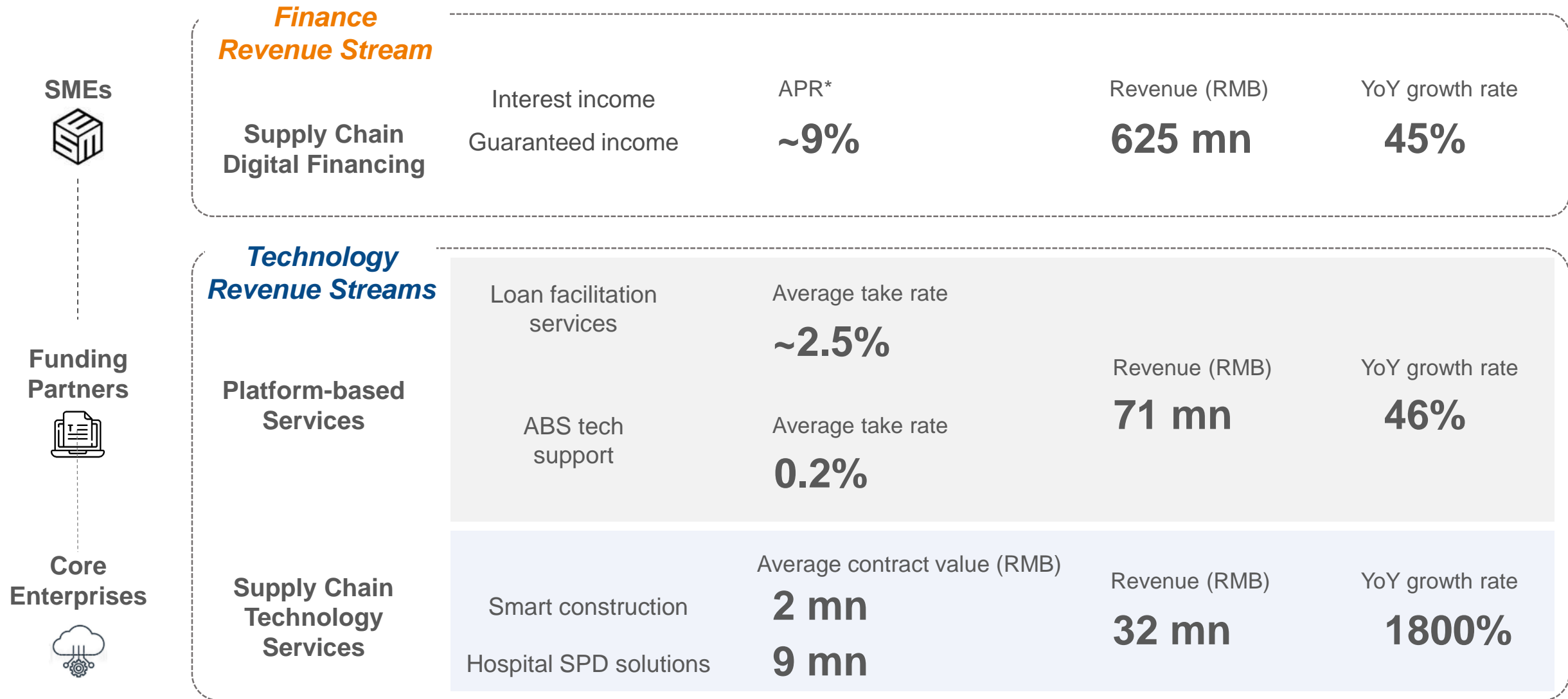
Major revenue mix

- Factoring

- Digital financing solutions
- Platform-based services

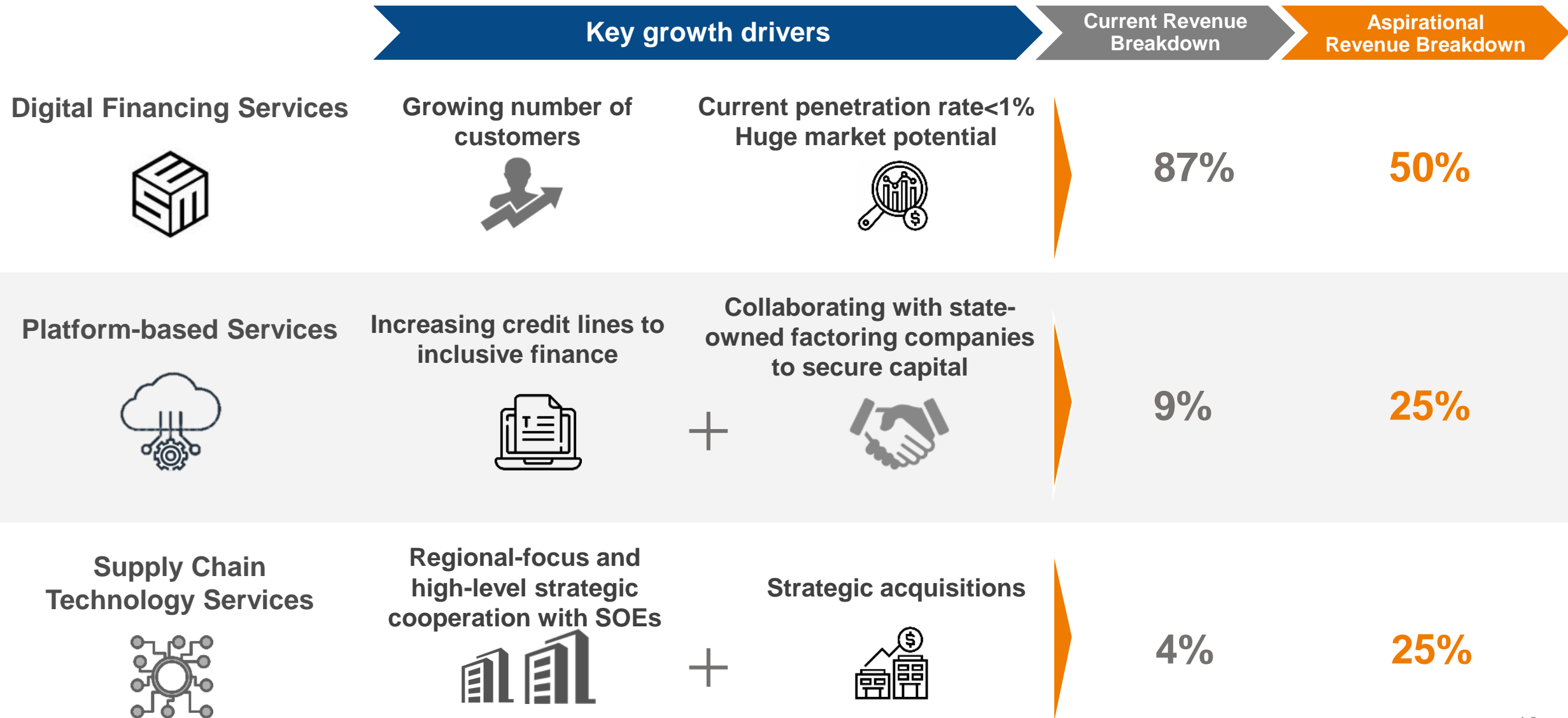
- Digital financing solutions
- Platform-based services
- Supply chain technology services

Our Products



Note: *Annual Percentage Rate

Growth Drivers



Corporate Social Responsibility



The **1st** “Dual-ESG Structure” Social & Sustainability-linked Syndicated Loan in China



Signed **RMB 500 million dual-ESG syndicated loan**.
Incorporating social and sustainability-linked features



SY innovatively **integrates IIoT & digital finance businesses with SDGs** advocated by the UN



“Social Financing Framework” endorsed by leading ESG rating agencies **Morningstar Sustainalytics & SusallWave**



“Sustainability-Linked Financing Framework” endorsed by **SusallWave**



Integrating ESG into Strategy and Business Operations to Drive Sustainable Development

MSCI ESG Rating

A

Female Staff

53%

SME Customers

94%

Average Loan Size

RMB **1.57 mn**

Number of people assisted

>3,660

Cumulative charitable donation

RMB **>10 mn**



02

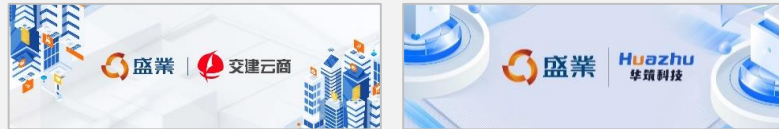
IloT Update

More →



Smart Construction

- Awarded bids for multiple smart construction projects of subsidiaries of **China State Construction**
- Established **strategic partnerships** with **China Overseas Land & Investment** and the e-commerce platforms of **China Communications Construction Group**
- Launched ecosystem alliance through **digital ecosystem conference**
- Strategic investment in **Huazhu Technology**, strengthening smart construction solution capabilities



Value of orderbook
in the IIoT segment

RMB

~78 mn

Increased yoy 15x

Hospital SPD Solutions

- Strategic cooperation with a **leading stated-owned healthcare distribution group in China**, to develop leading hospital SPD smart supply chain services system
- Awarded multiple SPD projects of **Sinopharm Lerentang**, to help hospitals achieve smart management of healthcare resources

Selected Clients



乐山市人民医院



柘城县人民医院
ZHECHENG PEOPLE'S HOSPITAL

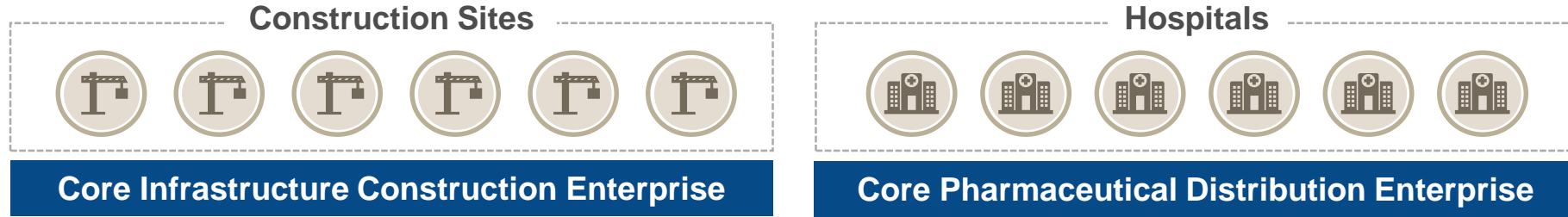


北票市中心医院

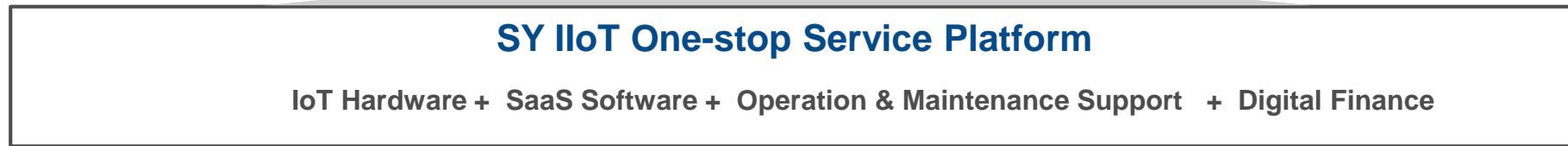


河北大学附属医院/临床医学院
AFFILIATED HOSPITAL OF HEBEI UNIVERSITY / SCHOOL OF CLINICAL MEDICINE





Leveraging existing core enterprises customer network to implement cross-selling for IloT services and obtain bulk orders



SY's strategic investment and business development enabled it to cooperate with quality suppliers and provide integrated services



Innovation Advantage — Continuous Technology Upgrade



Cost Advantage — Scale, Integration



Quality Advantage — After-sales Service and Maintenance

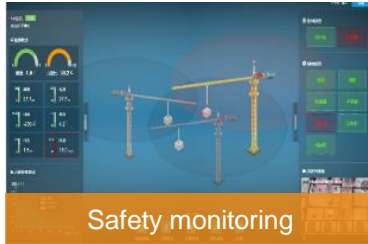


Finance Advantage — Empowered by Digital Finance

“Intelligent control center” for construction projects



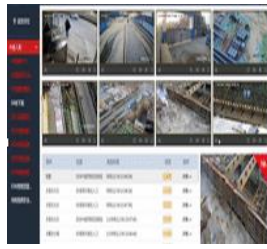
Tower crane monitoring



Panoramic monitoring



Integrated monitoring system



Smart inspection of goods



项目物资表				
收领单				
单据编号: (2023)08-02-001				
物料名称	规格型号			
数量	单位			
备注	验收日期			
1. 螺纹钢	HRB400E	100	吨	2023-08-02
2. 水泥	P.O.42.5	50	吨	2023-08-02

Personnel management



Project management platform



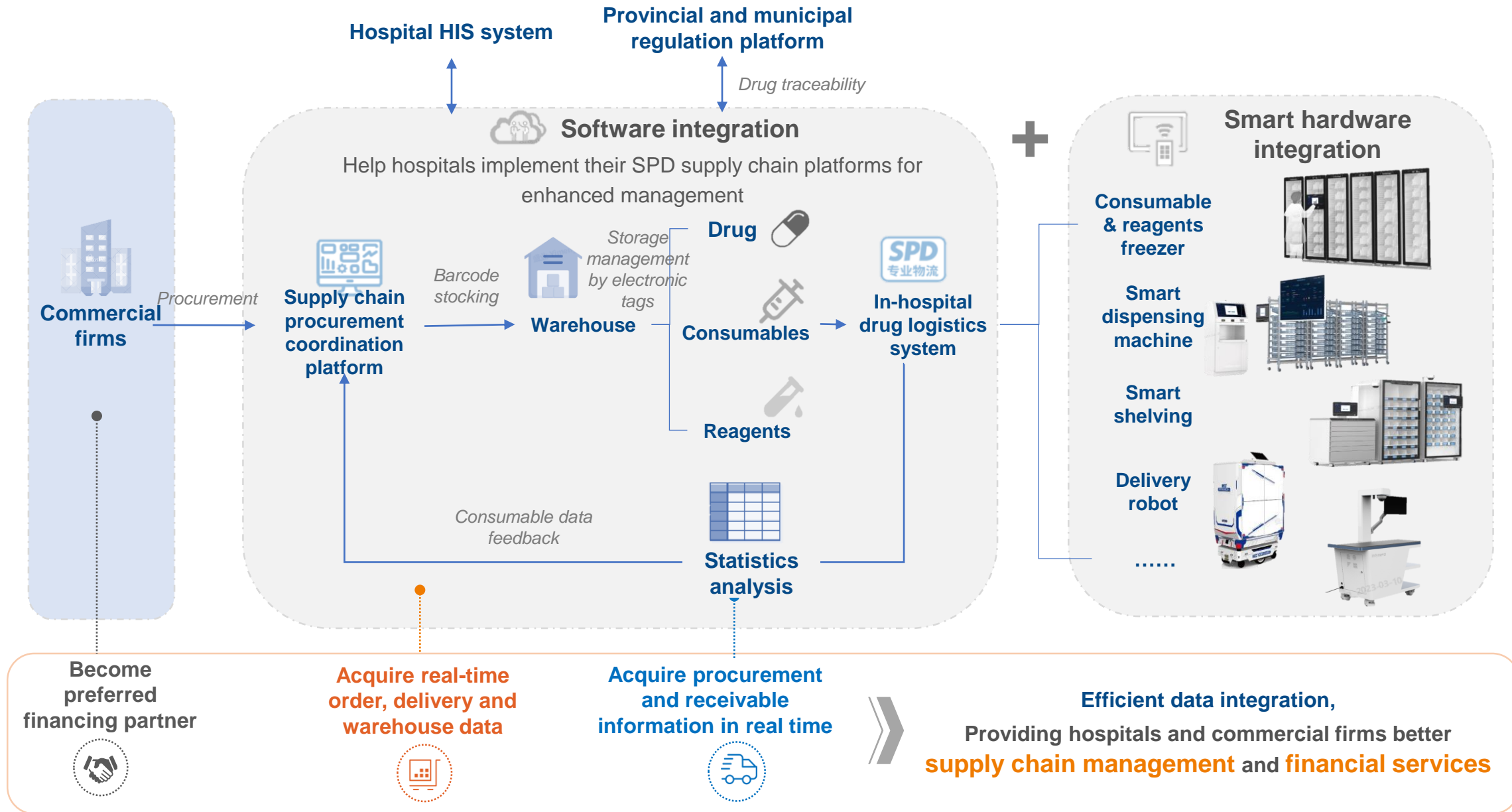
Integration of IIoT and Finance with Digital Applications

55 patents and copyrights



~100 R&D staff

Cumulative R&D expenses > RMB150 million



Drug Management System

IoT-based management solutions for consignment and high-value consumables



Central warehouse operation analysis

Hospital-wide departmental operation monitoring



Drug warehouse working conditions

Temperature and humidity monitoring



Consumables consumption across departments
YoY / QoQ

Ranking of the consumption of consumables provided by suppliers



Acceptance inspection via QR code (original code)



Creating blue-coding labels



Smart Cabinet Shelving



Autonomous replenishment



Payment via QR code



Picking up items for surgeries

Acceptance inspection based on UDI original codes

Daily and monthly payment via QR code

RFID-based smart cabinets

Automatic stock count

Two-way traceability system of one item with one code

Autonomous replenishment

Hospital SPD Solutions

Smart Construction

Pre-application

Traditional manual delivery



Traditional pharmacy storage shelves



Safety problems occur frequently



Messy & massive data for construction sites



Post-application

Intelligent logistics robot delivery



Automated pharmacy dispensary cabinets



Automated safety monitoring system



Unified and integrated user terminals



03

Digital Finance Update

More →



Digital Finance

- Cumulative platform customers exceeded 12,700, increasing 23% yoy
- Daily average supply chain asset balance reached RMB8.8 billion, increasing 45% yoy
- Cumulative number of funders increased to 107 from 86 at the beginning of the year

Innovative Funding

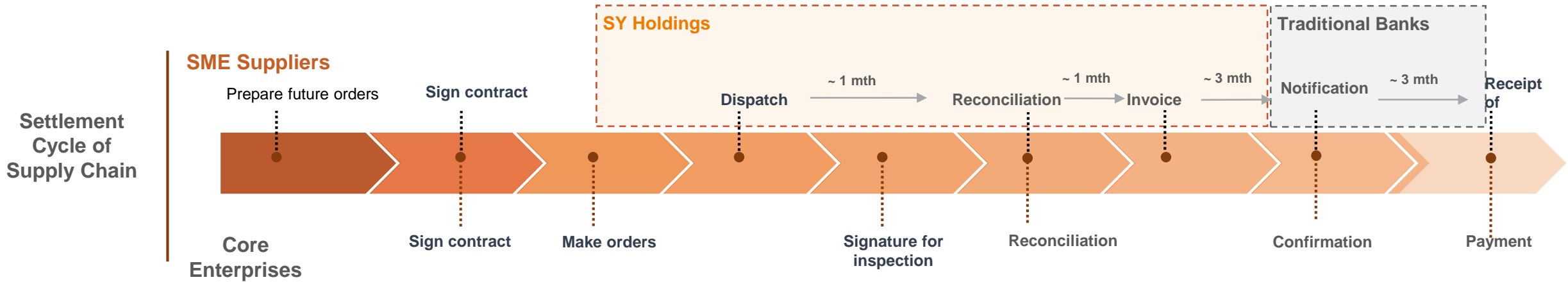
- With support from the Tianjin Ministry of Finance and the Tianjin branch of ICBC, launched “digital RMB + supply chain finance” initiative
- Completing the industry’s first-of-its-kind RMB500 million syndicated loan in China, incorporating social responsibility and sustainability-linked features

Joint Venture

- Achieved strong growth in Wuxi Guojin with backing from state-owned shareholder and SY, enabling the Group to reduce overall capital costs
- Successfully replicated the cooperation model in Wuxi and built strategic partnerships with SOEs in Ningbo, Xiamen and Qingdao to promote regional financial inclusion

Technology Recognition

- SY Technology included in the list of “SRDI” enterprises of Shenzhen
- SY Technology obtained the "Software Enterprise Encouraged by China" certificate and the "Software Product Certificate"
- SY Technology’s “Intelligent Verification Method and Device Based on Registration Data” invention patent was officially granted by China National Intellectual Property Administration



SY Digital Finance

- Range of Offering**
 - Covers the entire supply chain settlement cycle allowing for more innovative solutions
- Customer Experience**
 - SY Cloud platform is fully online
 - Convenient and flexible
- Flexibility**
 - Big data-driven, more precise and efficient
 - Competitive financing rate offerings and flexible repayment schemes

Traditional Bank Factoring

- Notification-based factoring
- Failed to solve SMEs' pain points in a timely manner
- Application process done largely offline
- Cumbersome
- Following traditional rationale of credit risk control, without support from real-time data and flexibility
- More requirements and limitations



Tailormade for SMEs
Convenient and flexible



Data-driven, precise
customer acquisition and
efficient risk control



Transaction-based and digital
technology-enabled

- 1 Immutable data
- 2 Reduce manual intervention
- 3 Real-time data uploading
- 4 Improve efficiency of document verification
- 5 Cross check market data to verify output value

物资综合管理 鹏城实验室石壁龙园区

数据统计 / 明细台账

Project name

组织机构: 鹏城实验室石壁龙
 单据编号: 收料20220300007
 磅单状态: 正常
 单据来源: 过磅
 业务类型: 进料-收料
 车牌照: 粤B8

Entry/exit time

进场时间: 2022-03-03 20:41:49
 出场时间: 2022-03-03 21:56:42

Supplier name

供料单位: 深圳市... 建筑装饰工程...

Plate number

21.14 吨 毛重
 7.14 吨 皮重
 0 吨 扣重
 扣率: 0
 扣吨: 0
 14 吨 净重
 0 吨 运单量

Items details and weight

序号	状态	材料名称	规格型号	计量单位	净重	转换系数	实际量	运单量	确认量	偏差	正负差	生产厂商	炉批号	实验报告号	质量证明文件	验收情况
1	正常	钢管	2-3米	吨	4.43	1	4.43	0	4.43	-4.43	负差0%					
2	正常	钢管	1-2米	吨	2.31	1	2.31	0	2.31	-2.31	负差0%					
3	正常	上托	上托	吨	7.26	1	7.26	0	7.26	-7.26	负差0%					

照片/凭证

运单/凭证(8) 进场照片(4) 出场照片(4)

Delivery documents

Photos of site entry/exit (vehicle front, back and top and an e-scale)

车前 车前 车尾 车尾 车顶

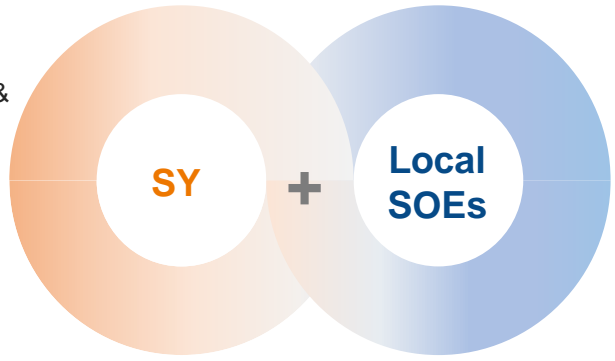
Strategic cooperation goals

-  Collaborating with quality local SOEs to establish regional supply chain financial services platforms, and obtaining their endorsement for business expansion
-  Leveraging SY's mature technology systems and platform services to accelerate the development of joint ventures
-  Promoting digital upgrade of local industries and supporting the development of SMEs

Cross empowerment

SY value-add

- Mature supply chain technology system & platform-based services
- Support for big data risk management & operational management
- Asset management services(ABS, ABN)
- Provide IIoT solutions to promote industrial digitalization of SOE ecosystem



SOEs value-add

- Credit & capital support
- Comprehensive industrial ecosystem & quality assets

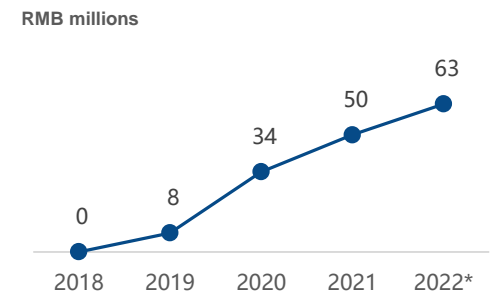
Successful case study



- Strategic cooperation with Wuxi Communications Industry Group (AAA-rated), jointly establishing Wuxi Guojin
- **Profit CAGR** for the past four years =**486%**
- Successful issuance of forward factoring ABS
- **ROE:~15%*, NPL ratio: 0%**

Market operation

Wuxi Guojin Net Profit



*Note: Unaudited data



Focus on **Eastern & Southern China**, to jointly establish **several regional supply chain financial services platforms** with **quality local SOEs** within the next three years



- Strategic cooperation with Wuxi Communications Industry Group (AAA-rated), jointly establishing **Wuxi Guojin Commercial Factoring Ltd.**
- A joint venture with a registered capital of RMB300 million and an **expected business scale of RMB4 billion** in 2023.



- Strategic cooperation with Wuxi Ocean Holdings Groups (AAA-rated), jointly running the business of **Qingdao Ocean Holdings Commercial Factoring Ltd.**
- A joint venture with a registered capital of RMB300 million and an **expected business scale of RMB1.7 billion** in 2023.



Leverage **RMB10 billion+**
in incremental capital



宁波开投

- Strategic cooperation with NDIG (AAA-rated), jointly establishing **Ningbo Guofu Commercial Factoring Ltd.**
- A joint venture with a registered capital of RMB200 million and an **expected business scale of RMB2 billion** in 2023.



象屿金控
XMYG J. H. G.

- Strategic cooperation with XMYG (AAA-rated), jointly establishing **Xiamen Xiangsheng Commercial Factoring Ltd.**
- A joint venture with a registered capital of RMB300 million and an **expected business scale of RMB1.5 billion** in 2023.

04

Sector Outlook

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**Concern for
safety & environment
Low level of information
digitalisation leading to
difficulties in management**



**Difficulties & high costs in
financing
Cumbersome loan procedures
and customer experience**



**Difficulties in acquiring
quality SMEs
Unreliable & delayed transaction
information**

Integration of digital & real economy has become a national development strategy

The government launched many favourable regulations and polices this year to facilitate the development of digital economy

2021

The 34th Collective Learning of the 18th CPC Central Committee

Emphasis on grasping the development trend and patterns of digital economy and promoting the healthy development of digital economy in China

2020

The Fifth Plenum of the 19th CPC Central Committee

Develops digital economy, promotes digital industrialization and industrial digitalization, promotes the deep integration of digital economy and real economy

2019

《Implementation Plan for The Innovative Development of National Digital Economy》

Stated clearly in policy documents that data was a new production factor

2018

Central Economic Work Conference

Accelerates commercialization of 5G, enhances building of new infrastructure such as industrial Internet and IoT

2017

Report of the 19th National Congress of CCP

Enhances the application of foundation research, to provide strong support for digital China and intelligent society

2016

The 36th Collective Learning of the 18th CPC Central Committee

Promotes the deep integration of Internet and real economy, accelerates the digitalization and intellectualization of traditional industries

2015

The Fifth Plenum of the 18th CPC Central Committee

Facilitates the integrated development of Internet and social economy

《 Xi Jinping: constantly making China's digital economy stronger, better and bigger 》

Accelerates the building of new infrastructure ; promotes the integrated development of digital economy and real economy.

《2035 Vision Outline in the 14th Five-year Plan》

Promotes deep integration of digital technology and real economy, empowers upgrade and transformation of traditional industries

《Digital Economy Development Plan in the 14th Five-year Plan》

By 2025, the share of core industrial value added of digital economy will increase from 7.8% to 10% in China

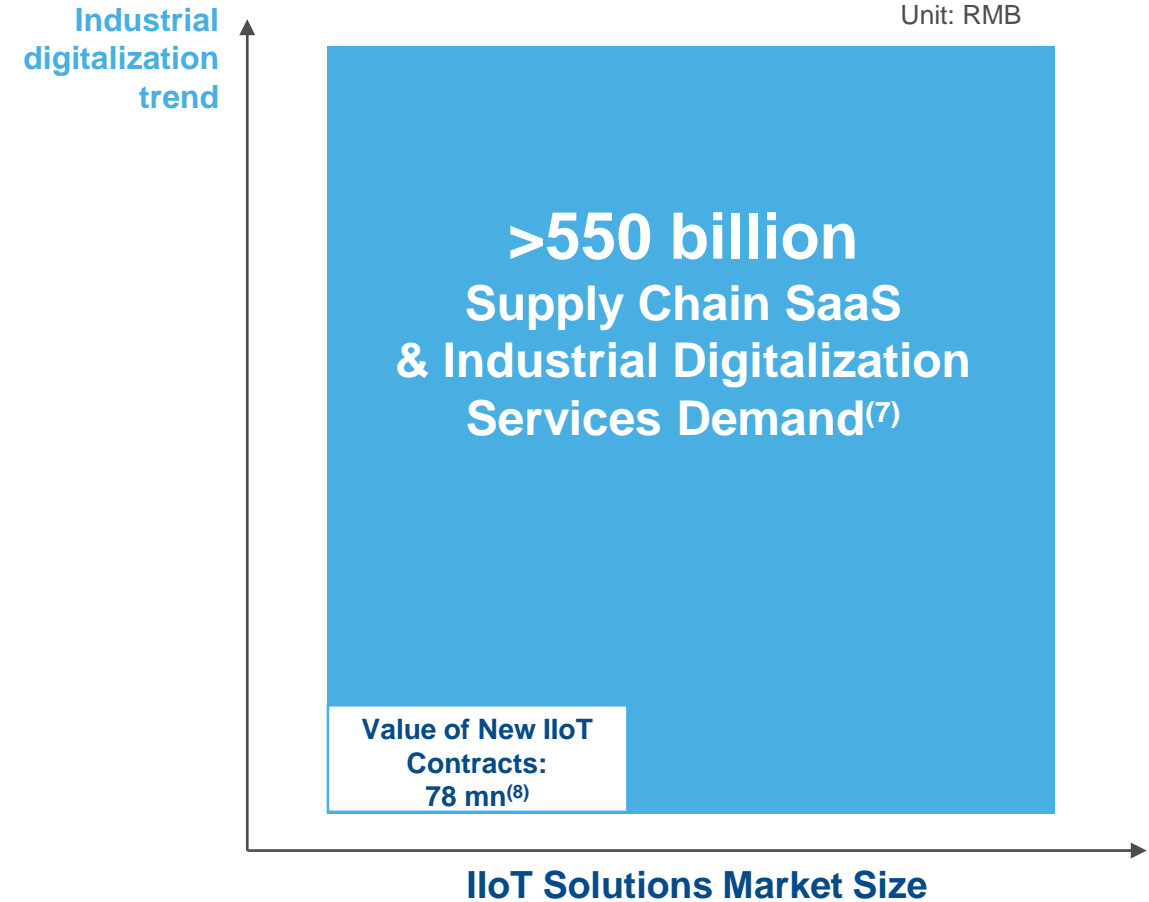
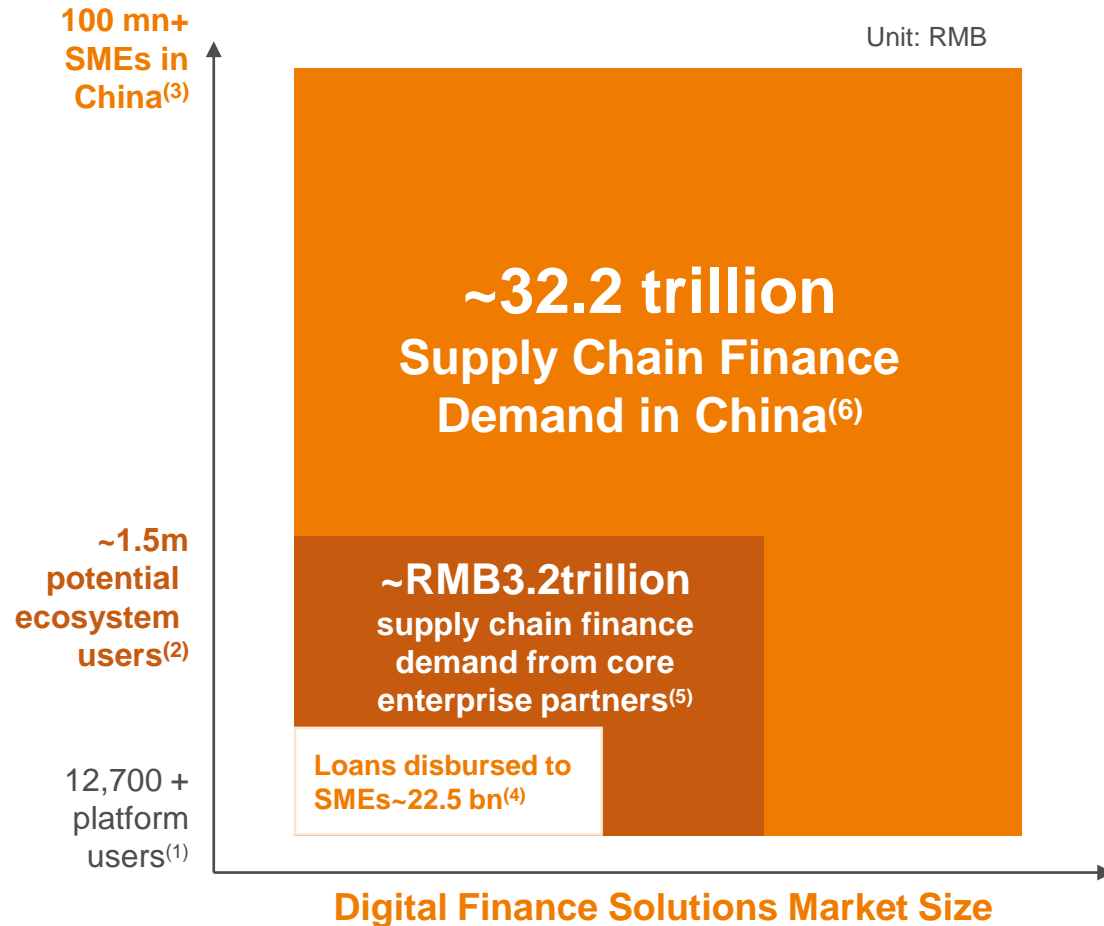
《A Package of Policy Measures to Further Stabilize The Economy》

Facilitates a regulated and healthy development of platform-based economy, leverages platforms to stabilize employment, helps SMEs with the development of platformized enterprises

《Notice of Carrying out the “Hand-in-Hand Action” to Promote the Collaborative Innovation by Small, Medium and Large-Sized Enterprises (2022-2025) 》

Use digitalization to enhance the data chain of SMEs. Encourages large enterprises to build digital services platforms that fit SMEs, promotes development of lean and low-cost industry supply chain collaborative solutions and scenarios

Huge Addressable Market



Notes:

1. As of 31 December 2022
2. Forecast of supply chain finance market size in China (including inventory + accounts receivable + prepayments), as of 2021, according to public information
3. Sources: iResearch, 《Pandemic Watch: Research Report on SMEs Upgrade in China 》
4. Loans of SY's supply chain finance solutions + loan facilitated, as of 31 December 2022
5. FY2021 supply chain finance demand of SY core enterprises (including accounts receivable + notes receivable + accounts payable + notes payable, from 2021 annual reports of core enterprises)
6. Forecast of the supply chain finance market size in China (including inventory + accounts receivable + prepayments), as of 2022, according to public information
7. Forecast of smart construction + hospital SPD market size, as of 2021, according to public information and the company's research
8. Value of total new orderbook in the IIoT segment, as of 31 December 2022

05

Financial Highlights

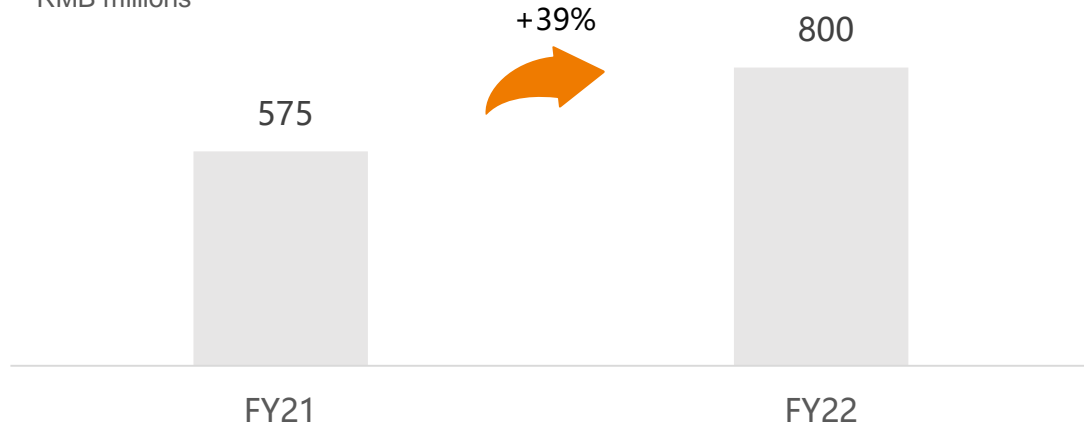
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Key Financials

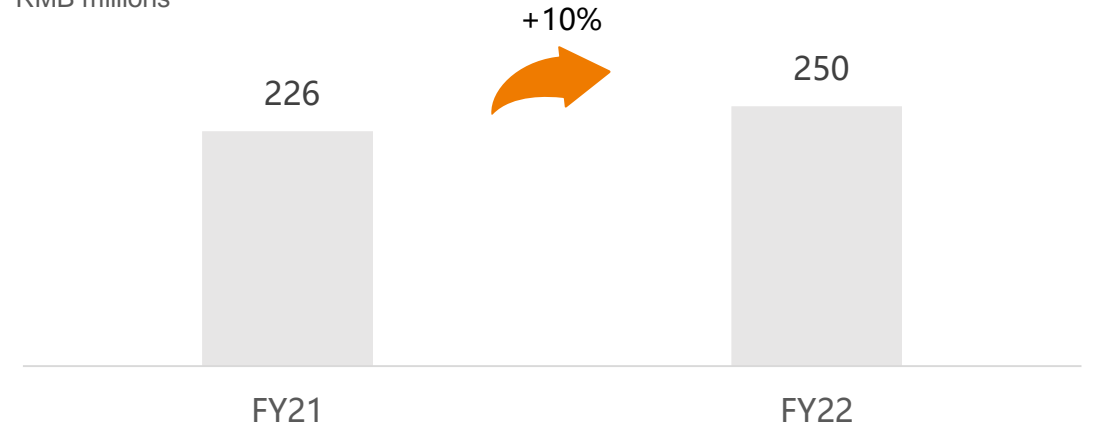
Total Revenue and Income

RMB millions



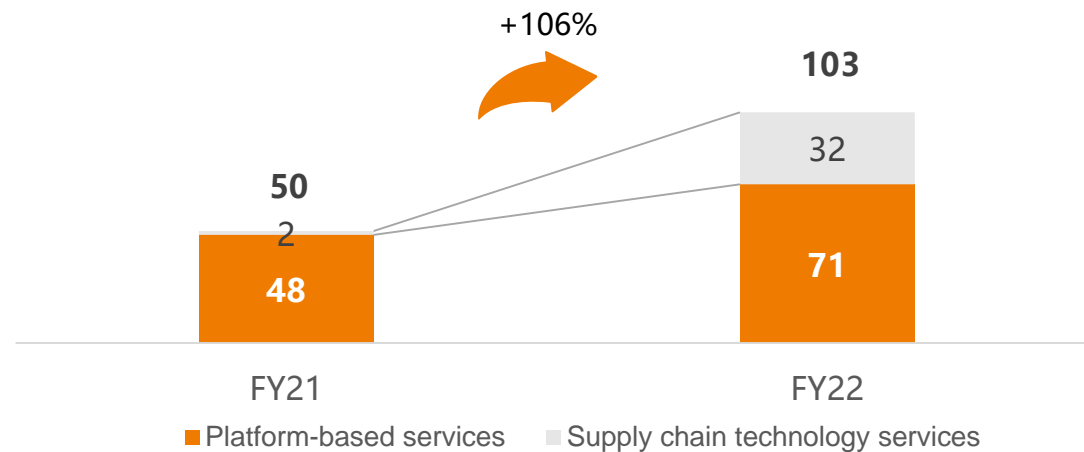
Adjusted Profit*

RMB millions



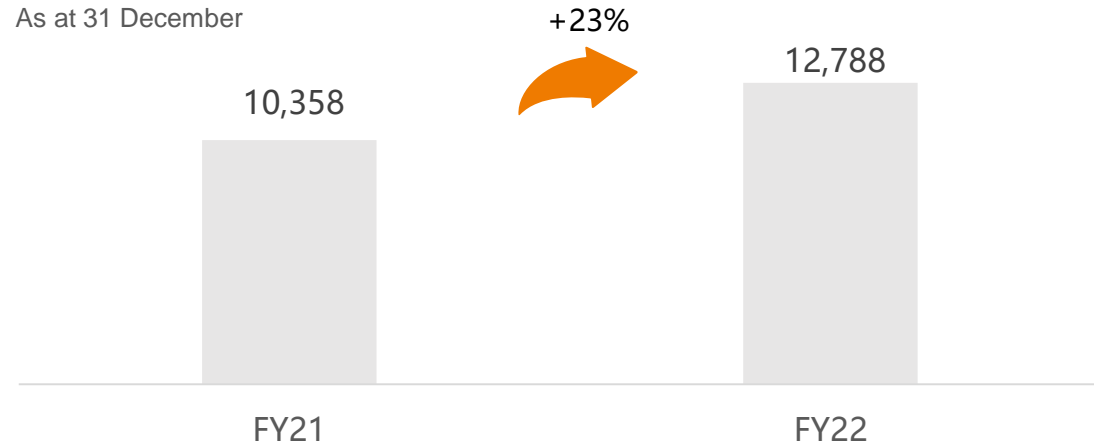
Technology Services Revenue

RMB millions



Cumulative Platform Users

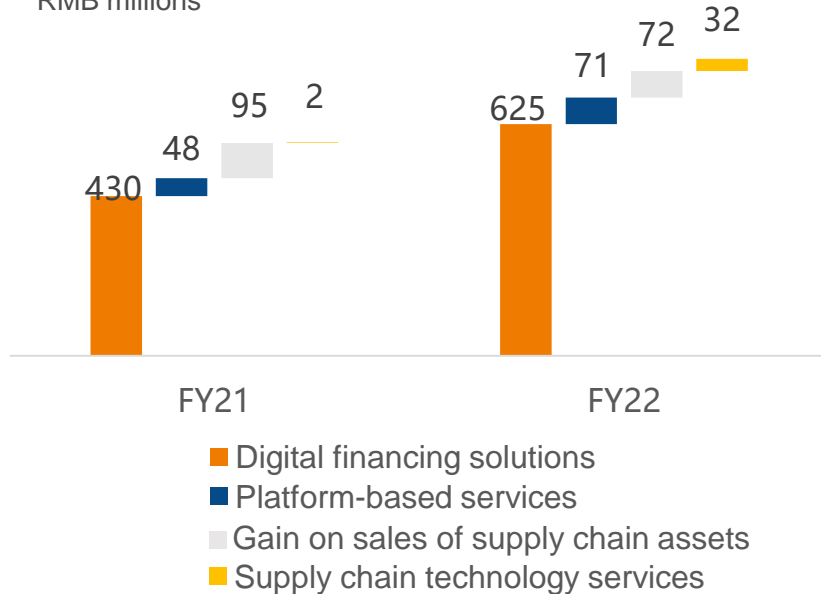
As at 31 December



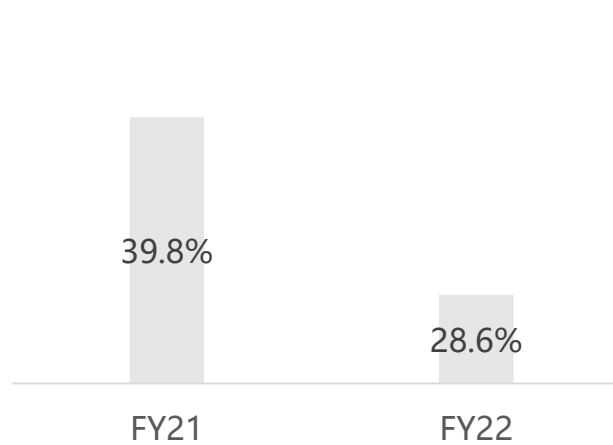
Note: *We define non-HKFRSs adjusted net profit as profit for the year, as adjusted by excluding (i) gains arising from acquisition of a subsidiary, (ii) net gain from changes in fair value of unlisted equity investments at FVTPL, (iii) equity-settled share based payments, and (iv) income tax effects of non-HKFRSs adjustments.

Total Revenue and Income

RMB millions



Operating Cost-to-Income

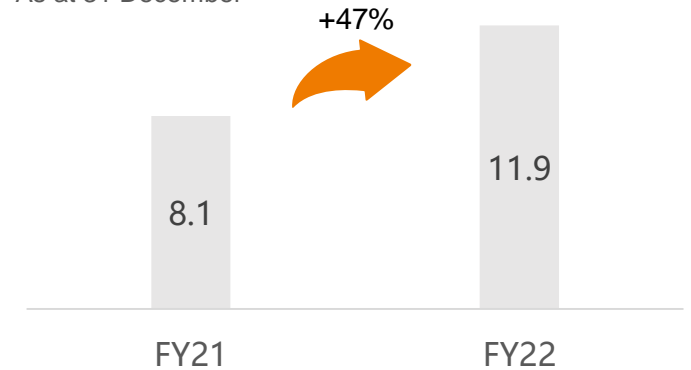


Supply Chain Assets

Including loan facilitation assets

RMB billions

As at 31 December



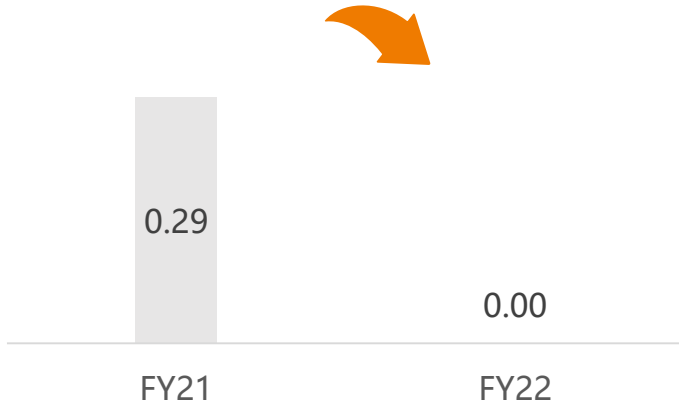
Note:

- Total revenue = Digital financing solutions revenue + platform-based services revenue + gains on sales of supply chain assets + supply chain technology services revenue
- The operating cost-to-income ratio excludes materials cost and on-time expenses
- Digital financing business maintained solid growth while revenue from IIoT services soared, which will become the growth driver in the future
- Overall business scale increased, operating cost-to-income has been reduced, demonstrating improvement in operating efficiency and the synergies brought about by the Wuxi Guojin acquisition

Key Financials

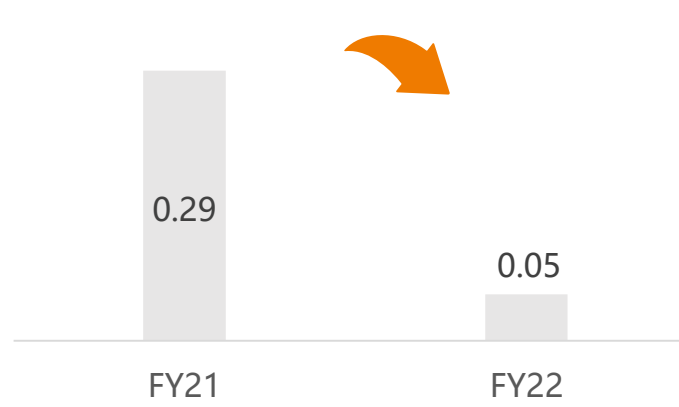
NPL %

As at 31 December



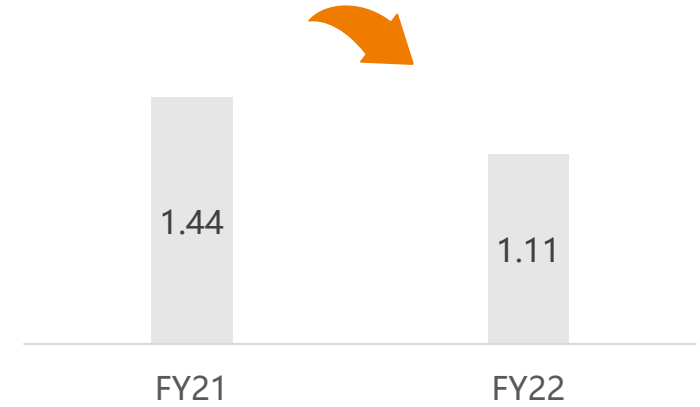
Overdue %

As at 31 December



Provision for Impairment %

As at 31 December



Note:

- NPL ratio = End of period gross carrying amount of NPL / End of period gross carrying amount of total supply chain assets x 100%
- Non-performing assets: Assets that are credit impaired or more than 90 days overdue

Driving Supply Chain Efficiency Making Finance More Inclusive

Shenzhen | Tianjin | Wuxi | Hong Kong | Shanghai | Beijing | Chongqing | Khorgos

