



SY HOLDINGS GROUP LIMITED

盛業控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6069

2025

Environmental, Social and Governance Report

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

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INTRODUCTION TO THE REPORT

1. ABOUT THIS REPORT

This is the ninth environmental, social and governance report published by SY Holdings Group Limited (the “**Company**”). The purpose of this Report is to report on the philosophy and practices of the Company and its subsidiaries (the “**Group**”, “**SY**” or “**we**”) in fulfilling our environmental, social and governance (“**ESG**”) responsibilities in 2025 and to respond to material issues.

- **Reporting Cycle and Scope**

This Report is an annual report. This Report covers the period from 1 January 2025 to 31 December 2025. Certain contents of this report are beyond the Reporting Period to make this Report more comparable and forward looking.

- **Reporting Standards**

This Report is prepared in accordance with the “Environmental, Social and Governance Reporting Code” set out in Appendix C2 to the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (the “**Listing Rules**”).

This Report is prepared in accordance with the principles of materiality, quantitative, balance, and consistency.

Materiality: The materiality of the Group’s ESG issues is determined by the Board of Directors. The stakeholder communication, material issue identification process, material issue matrix and climate-related risks and opportunities are disclosed in this Report.

Quantitative: The statistical criteria, methods, assumptions and/or calculation tools for quantitative key performance indicators in this Report, as well as the sources of conversion factors, are described in the explanatory notes of this Report.

Balance: This Report presents the Group’s performance for the Reporting Period in an unbiased manner and avoids the selection, omission or formats of presentation that might improperly affect the decisions or judgments of the readers of this Report.

Consistency: The statistical methods and basis used in the data disclosed in this Report are consistent with those of previous years unless otherwise specified.



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- **Data Description**

The financial data in this Report are derived from the 2025 annual report of the Company which contain the audited financial information of the Company for the year ended 31 December 2025. In case of any discrepancy between the data of this Report and that of the annual report, the information in the annual report shall prevail. Other statistics cover the Company and its subsidiaries, unless otherwise specified.

The monetary amounts in this Report are denominated in Renminbi, unless otherwise specified.

- **Publication Form**

This Report is published in an electronic version. You can read and download the electronic version of this Report on the HKEXnews website of the Stock Exchange of Hong Kong (website: www.hkexnews.hk) and the website of the Company (website: www.syholdings.com).

- **Contact Information**

Email: ir@syholdings.com



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2. MESSAGE FROM THE CHAIRMAN

In 2025, the global economic landscape underwent profound adjustments and the integration of digital technology with the real economy accelerated. This year marks a pivotal moment for SY as we accelerate our push toward platformization, technologization and globalization. With the mission and vision of “Empowering Chinese SMEs to reshape the global supply chain”, we continued to deepen the dual-driver model of digital finance and supply chain technology, promoting the more precise and efficient empowerment of financial resources to key sectors of the real economy.

As a leading supply chain fintech platform, we have proactively integrated ESG principles into its strategic development, business operations, corporate governance and organizational culture. Focusing on six material topics, namely “Technology-enabled SMEs”, “Build low carbon ecosystems”, “Pay attention to environmental business ethics”, “Reward others’ trust in a responsible manner”, “Strive for joint development with staff” and “Disseminate SY’s social responsibility”, we steadfastly uphold the principles of green, low-carbon, and sustainable development, driving high-quality and sustainable growth through a long-term perspective to achieve steady and long-term progress.

AI-Driven: From Tools to Value Creation

We have deeply integrated AI technology into the SY Cloud Platform and achieved deep integration with mainstream open-source large language models such as DeepSeek, Qwen and Doubao. Our industrial AI Agents developed around industrial data resources have achieved large-scale application in scenarios such as intelligent operations, risk control modeling and contract review. More importantly, we have effectively transformed our AI capabilities into commercialized value-added services, achieving AI service contract revenue of over RMB17 million and realizing a strategic leap from cost optimization to profit growth. For the first time, we empowered SME customers in to secure orders with the assistance of AI Agents, making “finding orders via AI” a reality. This is not only a technological achievement, but also reinforces our firm belief that technology for good must ultimately be reflected in helping SMEs grow more efficiently.

Dual Breakthroughs: Parallel Progress in Innovation and Globalization

In terms of business expansion, we have completed its business coverage across 6 major top-tier e-commerce platforms, namely Douyin, SHEIN, Shopee, Kuaishou, WeChat Video Channel, and Dewu, and has introduced Be Friends Holdings Limited, a “cross-platform live-streaming e-commerce leader”, as a strategic investor to accelerate linkages within the live-streaming e-commerce industry ecosystem and continuously release synergistic effects. In terms of our global presence, we have officially designated our Singapore subsidiary as our international headquarters, with Singapore serving as a core hub, to provide one-stop international order matching and capital turnover facilitation services for SMEs. Meanwhile, as of the end of 2025, we had reached strategic partnerships with nearly 10 pre-IPO robotics companies and established a cooperative relationship with Carro, the largest online car trading platform in Southeast Asia, jointly assisting new energy vehicle brands such as ZEEKR in exploring overseas markets.



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Passing on Warmth: Fulfilling Corporate Social Responsibility

In terms of giving back to society, the SY Public Welfare Foundation adheres to the philosophy of “Starting from the Heart, Radiating Goodness”, and continues to focus its efforts on three key areas: supporting children in vulnerable situations, empowering youth through education and development programmes, and contributing to sustainable rural development. As of the end of 2025, we have cumulatively invested over RMB15 million in public welfare, with our public welfare activities benefiting over 25,000 people. We have successfully provided medical assistance to over 240 children with congenital heart disease (CHD) and sponsored more than 150 students in continuing their education, conveying care and warmth through concrete actions.

ESG Governance: Continuous Improvement to Consolidate Foundations

In 2025, we achieved systematic breakthroughs in the ESG field: our MSCI ESG rating was upgraded to AA, our Sino-Securities Index ESG rating was upgraded to AAA, our S&P Global ESG score ranked in the top 26% globally among peers, our Wind ESG rating remained at AA, and we were also awarded the title of “ESG Pioneer Enterprise” at the 2025 CLS Zhiyuan Awards. These achievements not only attest to our long-term efforts, but also mark the comprehensive recognition by authoritative institutions of our balanced development across the environmental, social and governance dimensions.

In the future, we will continue to leverage AI as our engine and ESG as our cornerstone to accelerate our international layout and deepen our innovations in sustainable finance. We will forge ahead on the path of serving SMEs and promoting industrial digitalization, enabling technology to shine its light on more trailblazers across the industrial chain.



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3. ABOUT THE COMPANY

3.1. About SY

SY is a leading supply chain fintech platform that operates under the mission and vision of “Empowering Chinese SMEs to reshape the global supply chain”. By leveraging digital technology to connect industries and collect data, and using AI to enhance operational efficiency and risk management capabilities, SY provides differentiated supply chain services to SMEs. SY combines its deep expertise in national pillar industries such as infrastructure, pharmaceuticals and commodities with strategic expansions into sectors such as e-commerce and global expansion. Through its self-developed AI-powered SY Cloud Platform, SY empowers SMEs by addressing order fulfillment and working capital needs.

Leveraging its exceptional industry influence, the Company has been successively ranked among the CNBC’s top 200 global fintech companies and the Forbes China Top 50 Influential Fintech Companies, establishing itself as a leading enterprise in China’s supply chain fintech sector. At the same time, the Company has received strategic endorsements from several internationally renowned institutions, including TEMASEK HOLDINGS and BlackRock, and has been included in core indices such as the Hang Seng Index, the MSCI China Small Cap Index, the FTSE Russell Global Equity Index Series, the Shenzhen-Hong Kong Stock Connect, the Shanghai-Hong Kong Stock Connect, the MSCI ESG Ratings and the HKEX Hang Seng TECH 100 Index, which fully demonstrates the capital market’s high recognition of the Company’s long-term value and development potential.

- **Corporate Culture**

Always rooted in corporate culture as the foundation of its development, SY has undergone three iterations and upgrades, officially launching its Corporate Culture 3.0 in 2025, achieving full-scale employee co-creation for the first time. This promotes the transformation of corporate culture from “slogans on the wall” into actual codes of conduct for all employees, driving the sustainable development of the Company through the power of culture and putting ESG core values into practice.

2015-2020: Startup Growth Stage (1.0)

Centered on the theme of “Sharing and Growth”, this stage was established by certain members of management to lay the cultural foundation for the Company’s early development;

2020-2025: Platformization Stage (2.0)

With the vision of “becoming the most reliable supply chain technology platform in the Asia Pacific region”, the mission of “making the supply chain more efficient and financing more inclusive”, and the values of “Integrity • People-oriented • Service-oriented • Pursuit of innovation”, this stage was co-created by the management to support the platform-based transformation of the Company;



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2025 ~ New Stage of Development (3.0)

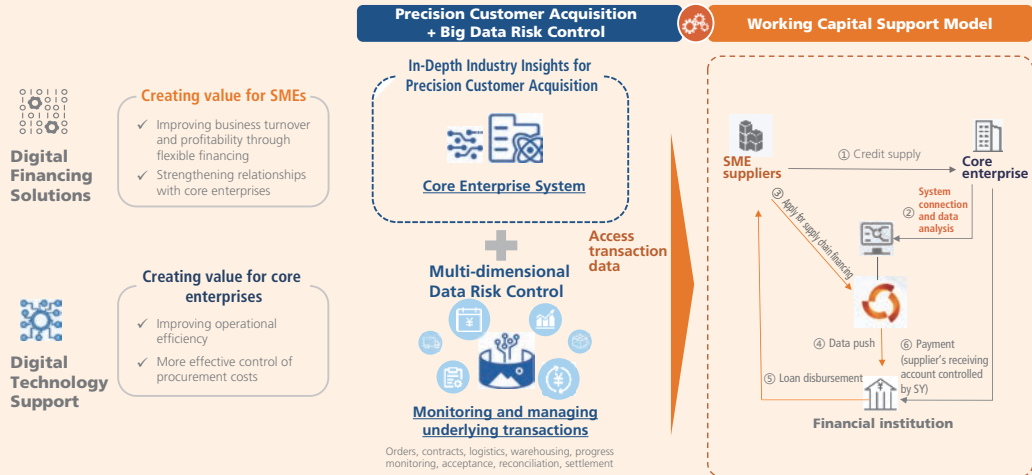
With the new mission and vision of “Empowering Chinese SMEs to reshape the global supply chain”, and with the guidance of external expert consultants, the initiative spanned seven months, involved 263 employees, recorded a cumulative participation of 345 person-times, and achieved 75% employee coverage. Through 3 partner meetings, 2 cross-departmental workshops, 4 core value refinement sessions, and 60 group discussions and opinion collection meetings, we ultimately established six core values that received strong consensus from the entire team, ensuring that our culture is truly rooted in every SY employee.

Mission and Vision	Empowering Chinese SMEs to reshape the global supply chain	
Six Core Values	Continuously exceeding customer expectations	Continuously exceeding customer expectations is the embodiment of our values; enabling mutual growth between the Company and its customers and creating a virtuous cycle of customer added value and corporate development
	Focusing on Results, Making Efficient Decisions	Set clear goals, move forward efficiently, and prioritize practical value
	Fostering Consensus with an Equal Mindset	Regardless of department, rank, or seniority, communicate with a mindset of equality and respect to jointly finalize plans and execute them effectively
	Recognizing No Goal as Unreachable	Trust the “power of belief”. Every problem has a solution; taking the first step brings you closer to the goal
	Never giving up when facing setbacks	Fight for yourself. Never give up when encountering setbacks. Break through your limits with every “win”
	Embracing Accountability for A Bigger Stage	Every individual who dares to face challenges and take ownership of results deserves more trust, tolerance, support, encouragement, and opportunities for development



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• **Business Model**



• **Business Distribution and Operation**



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3.2. Honors of the Year



2025 Guangdong-Hong Kong-Macau Greater Bay Area Enterprise Innovation Ranking – Innovation Achievement List



Included in KPMG’s “Double 50” list of FinTech Companies in China



Selected as an “Innovative Achievement of Digital Inclusive Finance” in the 2025 National Small and Medium-sized Enterprise Service Month



Gelonghui Jing'e Award • Annual Excellence in Global Expansion Award (年度卓越出海奖)



Included in the “HKEX TECH 100 Index”



“Most Valuable Artificial Intelligence Company” Award by Zhitong Finance



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“ESG Pioneer Enterprise” at the 2025 CLS Zhiyuan Awards



“Top 500 Enterprises in Shenzhen 2025” List



The 11th Asset Securitization • Jiefu Award
“Outstanding ABS Technical Service Institution”

Global Banking & Finance Awards®

GLOBAL BANKING & FINANCE AWARDS® 2025 – Award Winner

Each year, the *Global Banking & Finance Awards* celebrate excellence, innovation, and leadership across the global financial community. Below are the winners who have distinguished themselves through exceptional performance, visionary strategies, and meaningful contributions to the industry.

The awards span a wide range of sectors, recognizing not only Banking Awards, but also outstanding achievements across Insurance & Takaful Awards, Customer Satisfaction & Happiness, ESG & Sustainability Awards, CSR Awards, Investment, Brokerage & Forex Awards, and Innovation Awards, among others. This diverse winners list highlights the breadth of talent and progress shaping today's global financial landscape.

From groundbreaking technological advancements and sustainable business practices to exemplary customer engagement and responsible corporate initiatives, each winner reflects the commitment to excellence that defines the Global Banking & Finance Awards.

“Best Supply Chain Finance Company China 2025”
by Global Banking & Finance Awards



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3.3. Milestones of the Year

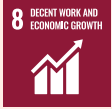






1. SY has fully integrated the DeepSeek large model to explore innovative “AI + industrial supply chain” applications.
2. SY entered into a strategic cooperation with Xinbada to empower China’s industries and e-commerce to expand globally.
3. SY received support for intelligent computing power resources from Wuxi Economic Development Zone, deeply embracing the new era of “AI+”.
4. SY entered into a strategic cooperation with Digital Whale to empower cost reduction and efficiency through intelligent computing infrastructure.
5. SY introduced strategic investors XtalPi and Be Friends to accelerate its footprint in AI agents and the e-commerce industry.
6. SY entered into a strategic cooperation with Standard Robots to expand deployment across the robotics industry chain.
7. SY established its international headquarters in Singapore and announced the launch of global deployment.
8. SY entered into a strategic cooperation with Carro to facilitate Carro’s business expansion through technology-driven supply chain solutions.
9. SY has been included in the FTSE Asia Pacific Small Cap Index, with its growth potential recognized by international capital.
10. SY has been included in the “HKEX TECH 100 Index”, ranking among the industry leaders in terms of technological and innovative capabilities.



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3.4. Commitment to Sustainable Development

• Sustainability Map

Sustainable Development Topics	Description	Sustainable Development Performance	UN Sustainable Development Goals (SDGs)
Technology supported growth of SMEs	Science innovation assists in industrial digitalization upgrading, solves issues relating to order acquisition and turnover of funds faced by SMEs and creates more job opportunities for the growth of the economy	<ul style="list-style-type: none"> Total number of platform users in the SME ecosystem was 22,300+ Total loan disbursed to SMEs was RMB40.371 billion ^(Note 1) Total amount of direct SME Loans was RMB16.666 billion The percentage of SMEs among financing customers during the year was 96.94% ^(Note 2) The average single loan size was RMB0.86 million 	  
Build low carbon ecosystems	While coping with climate change risks, offer helps in industrial low carbon transformation and creates sustainable cities and communities featuring lower carbon	<ul style="list-style-type: none"> Reduced paper consumption by 73 million pieces ^(Note 3) Total amount of green and low-carbon projects financing supported by the platform of RMB3.523 billion, involving 214 projects Cumulative carbon reduction on online platform was 566 tons ^(Note 4) Clean travel proportion was 90.76% ^(Note 5) 	 
Reward others' trust in a responsible manner	By protecting intellectual properties, safeguard data and privacy, constantly enhance services quality and build social trust in a responsible manner	<ul style="list-style-type: none"> A total of 85 software copyright certificates have been obtained A total of 15 authorized patents have been obtained 	 



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Sustainable Development Topics	Description	Sustainable Development Performance	UN Sustainable Development Goals (SDGs)
Pay attention to environmental business ethics	On top of adhering to business ethics, build a transparent and clean corporate governance system and jointly build trustworthy and sustainable ecosystems with our partners	<ul style="list-style-type: none"> Review frequency of business ethics standards was 3 times/year 100% satisfaction rate for the handling of business ethics-related reports 	 
Strive for joint development with staff	With the people-oriented concept, promote staff's personal development while preserving their health, equality and dignity	<ul style="list-style-type: none"> Coverage rate of employee health examination was 94% Employee satisfaction with training was 97% 	    
Disseminate SY's social values	Care for children in difficulties, promote juvenile's growth, assist in industrial development, share development dividends with disadvantaged groups and east-developed areas through charity, build a harmonious and sustainable society	<ul style="list-style-type: none"> Total number of hours of volunteer services was 1,642 hours Total amount of investments in volunteer service projects was RMB917,100 	    

Note 1: During the Reporting Period, the total loan disbursed to SMEs includes: i) total amount from direct loan business, which represents the total loan amount of approximately RMB16.666 billion directly provided by the Group to SMEs; and ii) total amount from loan facilitation business, which represents the total loan amount of approximately RMB23.705 billion provided by third-parties to SMEs which were facilitated by the Group

Note 2: During the Reporting Period, the number of SME customers in financing business/total number of customers in financing business

Note 3: Calculate based on the number of files processed by the online platform as of the end of the Reporting Period* the estimated number of pages per file through document retrieval on the SY Cloud Platform

Note 4: As at the end of the Reporting Period, calculate based on the weight reduction of paper consumption and "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX

Note 5: The proportion of travels by new energy vehicles during the Reporting Period according to the Group's internal reimbursement system data



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• Sustainable Financing Frameworks

SY released its social responsibility financing framework and sustainability-linked financing framework in August 2022, integrating the financing frameworks with the Group's sustainability strategy and the Sustainable Development Goals of the United Nations. This approach embeds the concept of sustainability into the daily operations of the enterprise, supporting the high-quality and sustainable development of substantial industries vital to the national economy and people's livelihood, such as infrastructure and healthcare. It effectively addresses the pain points of financing difficulties and high costs faced by SMEs, achieving a win-win situation for both social and economic benefits. Meanwhile, the release of this sustainable financing framework further broadens SY's diversified financing channels and aligns SY's sustainable development management and financing strategies with global best practices, enhancing SY's sustainable development management and performance.

Social Responsibility Financing Framework	The Group intends to use the funds which have been raised for MSME loans and basic service guarantee projects so as to:
Establish the governance mechanism of the Group in issuance of social responsibility bonds, loans and other debt instruments	<ul style="list-style-type: none"> • Increase financing opportunities for SMEs and facilitate their integration into supply chains • Provide financing support to SMEs affected or destroyed by natural disasters or health disasters • Improve the interconnection and digitalization of Chinese society, including but not limited to the construction and development of infrastructure and public utilities, and other public facilities • Develop and deliver health care and health services
Sustainable Development Linked Financing Framework	The financing conditions of the sustainable development-linked loans or bonds obtained by the Group will be adjusted according to the completion of the agreed sustainable development performance goals, and the specific adjustment range will be agreed separately in the corresponding financing documents. The set sustainable development performance goals of the Group are as follows:
Establish the governance mechanism of the Group in issuance of sustainable development-linked bonds, loans and other debt instruments	<ul style="list-style-type: none"> • To help SMEs obtain financing scale to increase year by year • To increase the amount of paper saved by the digital online business system year by year • To increase the time spent on public welfare year by year

For more information, please refer to the sustainable finance segment under the sustainable development column on the website of the Company (website: www.syholdings.com).



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4. CORPORATE GOVERNANCE

Sound corporate governance practices are fundamental to maintaining and promoting the confidence of shareholders. The Board of Directors believes that good corporate governance standards are essential for providing a framework for the Company to safeguard shareholder interests, enhance corporate value, formulate its business strategies and policies, and improve its transparency and accountability.

4.1. Governance Structure

The Company strictly adheres to laws and regulations as well as other relevant provisions of the Stock Exchange, establishing a standardized and orderly governance structure that forms a governance mechanism with clearly defined responsibilities, mutual coordination, and checks and balances, ensuring efficient and compliant corporate governance.

The Board of Directors is committed to maintaining and ensuring a high standard of corporate governance. The Board of Directors will review the Group's corporate governance practices from time to time to ensure that they reflect the latest developments and meet shareholders' expectations. The Board of Directors has established Board committees and has delegated to these committees various responsibilities as set out in their respective terms of reference. The Board of Directors may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The management of day-to-day operations of the Group's businesses and the implementation of the business plans, strategies, and policies adopted by the Board of Directors has been delegated to the senior management of the Group.

In terms of the election and rotation of directors, the Company has established a standardized mechanism for the annual retirement by rotation and re-election of directors to ensure the orderly succession of the Board, avoid the solidification of perspectives and weakening of independence that may result from long-term tenure, and ensure that the Board continues to maintain vitality and diverse perspectives. During the Reporting Period, the Nomination Committee reviewed the re-election of directors and recommended to the Board that their re-election be proposed to and approved by the shareholders at the 2025 annual general meeting. Meanwhile, as of the end of the Reporting Period, the Board of Directors of the Company comprised 6 directors from Chinese Mainland, Hong Kong, China and Singapore, of which 2 were female directors, accounting for 33.33%. In terms of professional expertise, the directors cover multiple key areas including supply chain operations, capital markets, financial accounting and auditing, technology and data, risk management and social impact, providing comprehensive professional support and diverse perspectives for the Company's strategic decision-making and operational management.



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The Company explicitly implements a remuneration clawback mechanism for personnel in key positions, including those in management positions and core business roles, to ensure that key personnel pursue rational growth in a lawful and compliant manner, while endeavoring to promote alignment between shareholders and management in terms of long-term value.

Appointment of Governance Personnel of SY Holdings

Board of Directors	Executive Directors	2
	Non-executive Director	1
	Independent Non-executive Directors	3
Board Committees	Audit Committee	3
	Nomination Committee	3
	Remuneration Committee ¹	3
	Sustainability Committee	3
Senior Management	Company Secretary	1
	Authorized Representative	2
	Other Senior Management	2

During the Reporting Period, SY Holdings convened a total of 18 Board meetings, 1 general meeting of shareholders, 3 Audit Committee meetings, 2 Remuneration Committee meetings, 2 Nomination Committee meetings, and 1 Sustainability Committee meeting.

¹ The chairman of the Remuneration Committee is held by Ms. Chan Yuk Ying Phyllis (an independent non-executive Director), further strengthening the independence and impartiality of the committee's decision-making.



4.2. Compliant Operation

4.2.1 Internal Control

The Corporate Governance Department of SY Holdings is responsible for duties related to internal control and compliance matters. To manage and mitigate the risk exposures at the group level and improve the effectiveness of the internal control system, the Corporate Governance Department collaborates with other business units to optimize operational procedures and workflows, as well as reviews the policies and standards of the Group. In terms of governance, the Corporate Governance Department leads several projects, including IT security audits, financial management, operational management, and training sessions on anti-corruption and whistleblowing policies, to supervise and encourage good governance within the Group. The Corporate Governance Department reports to the Audit Committee from time to time on the implementation and effectiveness of the internal control system and relevant projects.

4.2.2. Related Party Transactions

SY strictly complies with the Listing Rules and has formulated the “Policies and Procedures Regarding Connected Transactions and Related Party Transactions and the Model Code for Securities Transactions by Directors”, which clarifies matters such as the identification standards for related parties, classified management of connected transactions, pricing principles, approval authorities and information disclosure, forming a complete management closed-loop covering pre-transaction review, in-process execution and post-transaction supervision.

In terms of pricing management, the Company has consistently adhered to commercial principles and normal commercial terms, conducting rigorous reviews of the pricing for each connected transaction to ensure that the transaction terms are no more favorable than those provided to non-connected parties for similar transactions, thereby safeguarding the fairness and reasonableness of the pricing. In terms of approval and disclosure, the Company classifies transactions into three levels: transactions fully exempt from disclosure, transactions subject only to reporting and announcement requirements, and transactions subject to independent shareholders’ approval, with different approval and information disclosure procedures applicable to each level respectively. All connected transactions must be subject to consideration by the competent approval authority, and connected directors and connected shareholders must strictly implement the abstention system during the consideration process to ensure the independence and impartiality of the approval.

During the Reporting Period, all connected transactions of the Company have fulfilled the review procedures and information disclosure obligations in accordance with relevant regulations, and there were no instances of regulatory penalties being imposed due to non-compliance in respect of connected transactions.

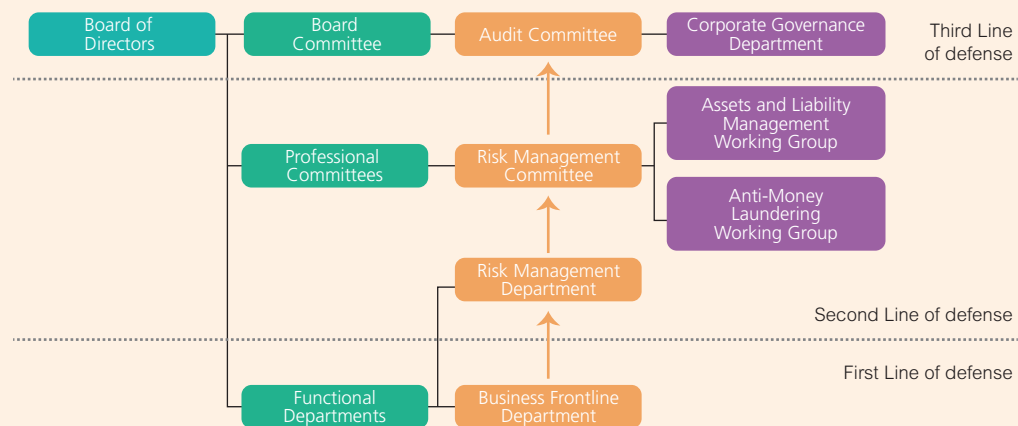


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4.3. Risk Management

SY strictly follows the relevant laws and regulations such as the “Listing Rules”, the “Notice of the General Office of China Banking and Insurance Regulatory Commission on Strengthening Supervision and Administration of Commercial Factoring Enterprises”, the “Interim Measures for Supervision and Administration of Commercial Factoring Companies in Tianjin”, the “Interim Measures for the Management of Financing Guarantee Companies”, the “Regulations on Supervision and Management of Financing Guarantee Companies”, the “Provisions on Anti-Money Laundering of Financial Institutions”, the “Data Security Law of the People’s Republic of China”, the “Provisions on the Centralized Operation and Management of Cross-border Funds of Multinational Corporations”. SY has created SY’s risk management framework, formulated and continuously improved internal systems such as the “General Rules on Risk Management”, the “Rules of Procedure of the Risk Management Committee”, the “Audit Committee – Terms of Reference”, the “Risk Evaluation Management System”, the “Credit Management System”, the “Post-loan Management System” and the “Management System of Credit Investigation System”. Through measures such as strengthening risk communication and risk review and evaluation, SY continuously improves the professionalism and systematicness of risk management and provides a solid guarantee for the steady development of the enterprise.

4.3.1. Risk management framework



SY's Risk Management Framework



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Level	Responsibilities
Board of Directors	<p>The Board of Directors confirms that its responsibilities are assessing and determining the nature and degree of the risks, including ESG-related risks, that it is willing to take in order to achieve the Group's strategic objectives, and ensuring that the overall adequacy and effectiveness of the Group's risk management and internal control systems is regularly reviewed by the Group. The relevant systems cover financial, operational and compliance controls to safeguard shareholders' investments and the Group's assets.</p>
Audit Committee	<p>The Board of Directors has delegated to the Audit Committee the responsibility for risk management and internal control (with relevant departments). Consequently, the Audit Committee is responsible for designing, implementing and supervising the risk management and internal control system. The management will report to the Audit Committee any identified deficiencies from time to time. The Audit Committee serves as an important communication channel between other Directors of the Company, the external auditor and internal auditors (if the Company has an internal audit function) in respect of the duties relating to financial and other reporting, risk management, internal control, external and internal audits and other matters as the Board of Directors determines from time to time.</p> <p>The Audit Committee assists the Board of Directors through providing an independent review and supervision of financial reporting and risk management, satisfying themselves as to the effectiveness of the internal control of the Group and the adequacy of the external and internal audits.</p>
Sustainability Committee	<p>The Sustainability Committee is responsible for formulating and reviewing the strategies and procedures of the Company's ESG work, monitoring progress, and identifying ESG-related risks and opportunities that may have a significant impact on the Company, reporting to the Board of Directors and making recommendations. The management and the ESG Working Group will periodically report to the committee on the progress, results and significant matters related to the Company's ESG work.</p>



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Level	Responsibilities
Risk Management Committee ²	<p>A specialized working body under the leadership of the Company's management is mainly responsible for the Company's overall risk management, considering the Company's risk management status, reviewing major risk management activities, and exercising voting rights on major transactions. Main duties are as follows:</p> <ul style="list-style-type: none"> • To authorize the establishment of specialized groups related to risk management for the Group and its subsidiaries, and appoint members of the specialized groups to perform their duties, such as the Anti-Money Laundering Working Group and the Asset and Liability Management Committee (ALCO); • To comprehensively assess and manage the credit risk, market risk, liquidity risk, operational risk, compliance risk and investment risk of the Group and its subsidiaries according to the risk appetite and strategy determined by the Board of Directors; and formulate and implement corresponding risk management strategies; • To review and approve the procedures and measures for risk identification, measurement, monitoring and control for the Group and its subordinate branches; methods and procedures for avoiding, mitigating, reducing, and diversifying risks, including but not limited to the general principles of risk management of the Company, management measures and detailed rules, etc.; • To be responsible for reviewing and approving the investment matters of the Group and its subsidiaries (investments include equity investments, financial product investments and non-standard project investments); • To supervise the improvement of risk management deficiencies in the Group and its subsidiaries;

² Members of the Risk Management Committee possess diverse professional capabilities in areas such as industry, business, capital markets, financial audit, compliance, and data analysis, providing comprehensive coverage across all key areas of risk management.



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Level	Responsibilities
	<ul style="list-style-type: none"> • To review and approve the new business models and risk limits of the Group and its subsidiaries, and propose control ideas for major risk points to review and approve external investment matters; • To review and approve business or innovative activities outside the authorized scope of the Group and its subsidiaries’ risk management departments; • To regularly assess the performance of the heads of the Risk Management Departments of the Group and its subsidiaries; • To appoint personnel to serve as members of the risk committee of each subsidiary; • To review sudden and significant risk matters, and activate the relevant emergency plans.
<p>Risk Management Department</p>	<p>Under the leadership of the Chief Risk Control Officer, each subsidiary implements the leading organizational department for various types of risk management related to the Company’s business. The Risk Management Department is divided into four main categories of positions: Risk Strategy (design of new products; formulation, output, optimization and system application of risk control rules; interpretation of industrial policies, training on industry knowledge, etc.), Regulatory Compliance (daily communication with regulatory agencies; building compliance systems and advocating compliance culture), Credit Management and Approval (customer and business admission and credit management; on-site due diligence; daily management during and after loans (excluding collections)), and Risk Asset Management (data monitoring, organization and analysis; responsible for collection matters; disposal of overdue assets).</p>
<p>Business Frontline Department</p>	<p>The Industrial Marketing Department and the Asset Management Department, as the first line of defense for risk management, should take the compliance and implementation of the risk management policies and systems as the basic premise in the process of carrying out business, also assume the responsibilities of obtaining information, conducting risk judgment and risk control, and communicate with the Risk Management Department in a timely manner.</p>

In addition to the three lines of defense for routine risk management (the Board of Directors, risk control lines and business frontline department), the Corporate Governance Department also assumes the responsibilities related to internal control and compliance matters. We improve the effectiveness of the internal control system through working with other business departments to optimize operational procedures and workflows and reviewing the Group’s policies and standards to manage risk exposures at the Group level.



4.3.2. Risk Management Work

- *Risk Communication*

The Risk Management Department and the Corporate Governance Department regularly report to the Audit Committee at meetings of the Audit Committee on the Group's major risk management events and ESG management during the Reporting Period (including corporate governance, IT security, human capital, etc.). In the event of material risk changes or events, the Risk Management Department and the Corporate Governance Department will report to the Audit Committee as soon as possible within a reasonable period. The Audit Committee will then report the related contents to the Board of Directors.

Daily business risk assessment is led by the Risk Management Department with the assistance of the Platform Operation Department and the Financial Management Department. According to the "Risk Evaluation Management System" and based on the dual risk evaluation oriented by the subject and transaction, we have established a multi-dimensional risk assessment system which takes the analysis of enterprise and transaction behavior data as the logic, and realized the calculation of dynamic risk assessment results of individual customer, individual business and individual asset on a rolling basis:

- 1) The assessment results can be applied to the formulation of credit facility schemes, access requirements, customer quota management, post-loan and debt collection grading management, etc. The credit management and approval group shall complete the business approval and post-loan tracking management according to the assessment results and different risk management requirements.
- 2) The assessment results can also be used for risk pricing and risk measurement. The Risk Management Department shall accurately transmit the assessment results to the relevant departments, assist the Business Department in completing project pricing and assist the Financial Management Department in making provision for risk reserves.
- 3) The Risk Management Department shall pay attention to the problems identified from the daily risk evaluation, extracting the optimization suggestions for rules and models, and the Risk Strategy Group shall carry out the optimization of rules and the testing and configuration on the system.

In the event of any sudden and major risk events related to the risk functional departments of the Company, the Risk Management Committee will convene an extraordinary meeting after the relevant functional departments report to the chairman of the Risk Management Committee.



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- *Risk review assessment*

The Board of Directors, through the Audit Committee, reviews the risk management and internal controls annually. The Audit Committee reviews the risk management reported by the Company's management at least once every six months. Regarding ESG-related matters, the Sustainability Committee meets at least once a year to review relevant topics and issues and reports to the Board of Directors.

The Risk Management Committee holds business risk analysis meetings at least once every quarter, mainly focusing on the Company's risk issues in comprehensive risk management, including but not limited to analysis and experience summary of overdue collection matters, liquidity management execution, operation management, data security, etc., to identify business risk points and propose prevention and control solutions to risk issues.

The Risk Strategy Group is fully responsible for the establishment and optimization of daily business risk evaluation rules and models:

- 1) The Risk Strategy Group conducts a comprehensive assessment of the risk assessment model and rules on a regular basis of every six months, and submits a written evaluation report to the Chief Risk Control Officer. If it involves the content that needs to be adjusted or optimized, the corresponding testing and approval process shall be submitted in accordance with relevant requirements;
- 2) The Risk Strategy Group continuously updates, optimizes and adjusts the relevant rules in consideration of factors such as macro risks, industry changes, business direction changes and the Company's risk preference.



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5. ESG MANAGEMENT

5.1. Statement of the Board of Directors

The Board of Directors is the highest decision-making and supervisory body for the Group's ESG management and assumes ultimate responsibility for the Group's ESG work. The Board of Directors is responsible for reviewing the vision and strategic objectives of the Group's ESG work, ensuring that they are highly aligned with business development. Meanwhile, the Board is also responsible for making final decisions on significant issues related to ESG, including ESG-related risks and opportunities that have a substantial impact on the Group, and supervises the construction of the ESG risk management and internal control systems.

In order to ensure the effective implementation of the ESG strategy, the Group established a Sustainability Committee responsible for setting targets, developing relevant strategies and processes, and overseeing and evaluating the execution of the Group's ESG work. At the same time, it also ensures that the Group's ESG management policies remain up-to-date and in compliance with all laws, regulations, regulatory requirements and international standards. The Group also incorporates ESG factors into the strategic decision-making and daily operational management. The Sustainability Committee is responsible for identifying ESG-related risks and opportunities that may have a significant impact on the Group, assessing potential impact of ESG issues on the Group's business, and determining whether relevant ESG issues will have a significant impact on the Group's investors and other stakeholders. In addition, the Committee will identify, evaluate and rank the key ESG issues related to the Group's business management, thereby providing a basis for the formulation of annual ESG strategic objectives. The Sustainability Committee is also responsible for reviewing and approving the ESG disclosure materials to ensure that the Group's ESG priorities during the Reporting Period and the concept of sustainability are fully disclosed.

The Board of Directors of the Group holds regular meetings every year to receive reports from the Sustainability Committee and the management on the progress of ESG work, and to review the Group's annual ESG strategic objectives, material issues related to ESG, and ESG-related risks and opportunities that may have a significant impact on the Group. After clarifying the current status of the Company's ESG management, the Board of Directors coordinates and guides the identification of ESG-related risks and opportunities to ensure that the Company continuously facilitates the achievement of ESG goals.



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The Group is committed to establishing and maintaining a competent and independent Board of Directors to ensure a high standard of corporate governance. The Board of Directors reviews the Group's corporate governance practices from time to time to ensure that they reflect the latest developments and meet the expectations of shareholders. We believe that diversity in the Board of Directors contributes to the enhancement of corporate governance and sustainable performance. Therefore, we take comprehensive consideration into various aspects which include gender, age, race, culture, educational background, professional experience, skills and tenure when setting up the composition of the Board of Directors.

During the Reporting Period, the Board of Directors and the Sustainability Committee have each received a report from the ESG Working Group on the Group's ESG work, and has focused on considering the effectiveness and progress of ESG work, and approved the 2024 ESG report.

Since its establishment, the Sustainability Committee has held at least one meeting every year to receive reports from the ESG Working Group on the Group's ESG work, and to collectively consider the effectiveness and progress of ESG work and approve the annual ESG report. The Sustainability Committee reports to the Board on the strategies and practices of the Group's ESG work, as well as the significant risks and opportunities of the Group's ESG work.

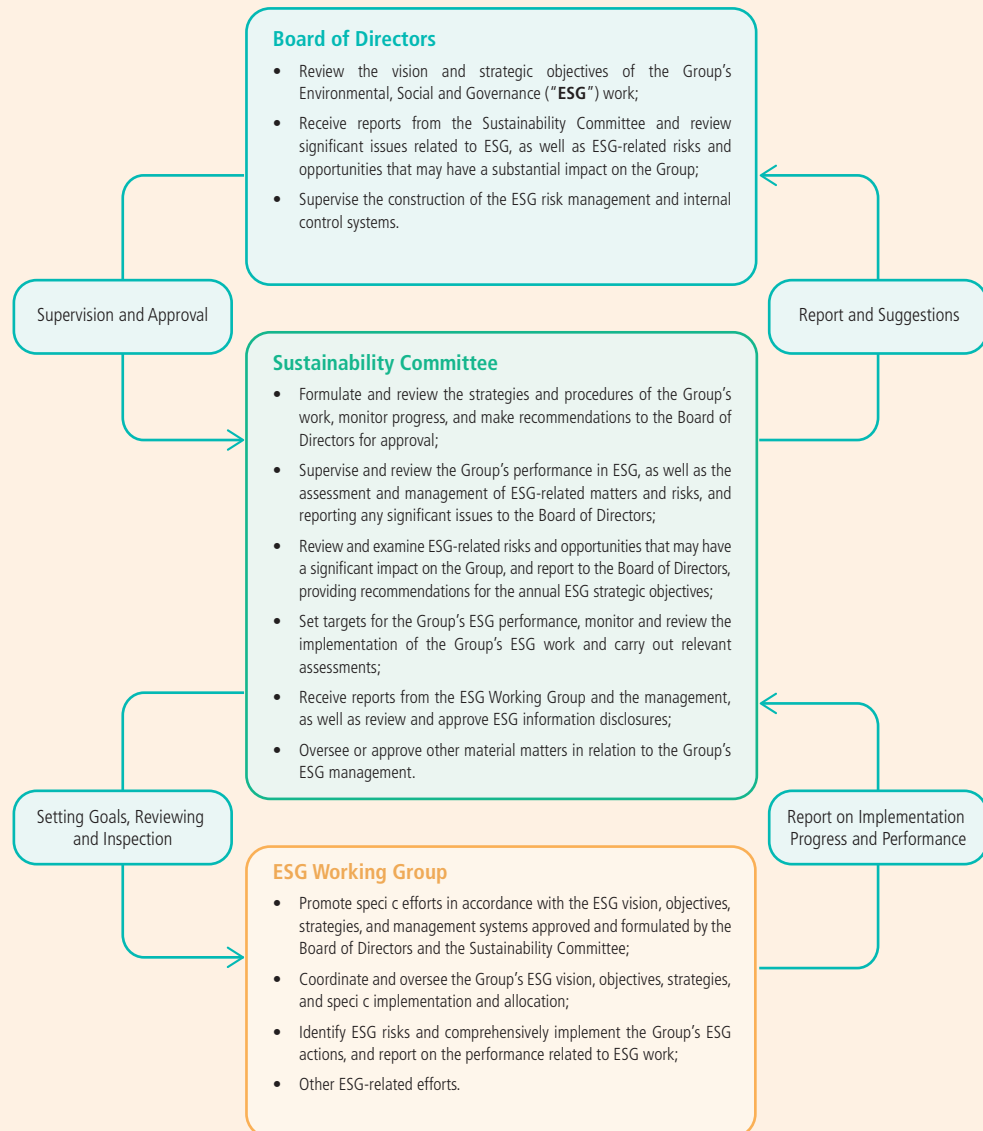


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5.2. ESG Governance System

5.2.1. ESG Governance Structure

The Group attaches great importance to sustainable development and has established a three-level governance structure for ESG management: the Board of Directors, the Sustainability Committee under the Board of Directors and the ESG Working Group.



5.2.2. ESG management objectives

The Group's ESG management principles include good corporate governance, fulfilling social responsibilities, and promoting environmentally friendly operations. The ESG management includes conducting business in a sustainable and responsible manner, while taking into account both the stakeholders and the impacts on the environment, society and economy. SY has set ESG management objectives focusing on three aspects, namely Enhancement of ESG Management, ESG Information Disclosure and Performance Enhancement and Integration of ESG and Business Sustainability. These objectives serve as the important basis for formulating ESG implementation plans and measures.

ESG Management Focuses	ESG Management Objectives
Enhancement of ESG Management	Streamline the Company's existing ESG management mechanism and processes, improve the ESG management structure to enhance ESG management standard in compliance with the latest regulatory requirements, establish a regular management mechanism with clear responsibilities, and strengthen the connection between business segments and sustainable development
ESG Information Disclosure and Performance Enhancement	Improve the quality of information disclosure, highlight the characteristics of the Group, optimize the ESG information indicator system and realise the systematic collection of ESG information in compliance with the regulatory requirements, which include the setting of environmental targets and climate change risk analysis into the ESG reporting scope in accordance with the new guidelines under the Listing Rules, while maintaining and striving to enhance its performance in key ESG ratings
Integration of ESG and Business Sustainability	<ul style="list-style-type: none"> <li data-bbox="702 1282 1447 1541">• Pay attention to new sustainable industry developments such as being environmentally friendly and performing social responsibility, and satisfying the latest needs of SMEs in the actual production process by providing diversified supply chain products that incorporate ESG factors for a wide range of SME customers and encouraging the entire supply chain ecosystem to improve ESG performance <li data-bbox="702 1584 1447 1800">• Continue to vigorously develop the business for loans to SMEs and focus on financing projects in the infrastructure, medical and energy sectors for fulfilling its social responsibility, and cooperating with domestic and overseas funding partners to develop more financing models that serve sustainable objectives such as inclusive finance and green and low carbon development <li data-bbox="702 1843 1447 1905">• Increase investment in science and technology to achieve industry digitisation and low-carbon development



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5.3. ESG Risk Identification

SY integrates ESG risk management into its corporate comprehensive risk management framework, continuously improves the construction of risk management system, and manages ESG risks by identifying, assessing, monitoring and implementing risk response measures to effectively respond to ESG risks.

Risks	Description
Policy and legal risks	The policies on carbon emission reduction and “carbon peak and carbon neutrality” may lead to a decrease in the scale and quality of traditional business and assets of customers in the infrastructure and commodities sectors
Market risk	Investors’ and funders’ preference for sustainable projects/companies
Liquidity risk	The policies on carbon emission reduction and “carbon peak and carbon neutrality” may affect the liquidity of the assets in the infrastructure and commodities sectors
Operational risk	Information security: The need to comply with domestic and offshore network and data security-related compliance requirements for accessing, using and storing customer data
Reputation risk	As a supply chain technology platform and a Hong Kong-listed company that primarily serves SMEs in China and is committed to making finance more inclusive, failure to maintain sound ESG performance will have a long-term negative impact on our business reputation



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5.4. Stakeholder Engagement

SY is well aware of the importance of maintaining good communication with various stakeholders. We continuously expand communication channels, focus on listening to the expectations and demands of various stakeholders, and fully consider and incorporate the opinions and suggestions of various stakeholders in its operations and decision-making processes. Through stakeholder engagement, we work together to resolve sustainability issues involved in our daily operations, to achieve sustainable and responsible business operations for the long-term success and sustainability of SY and its key stakeholders.

Stakeholders	Expectations and demands	Communication methods	Our responses
Government/regulatory authorities	<ul style="list-style-type: none"> Comply with compliance requirements, which include information disclosure, corporate governance, etc. Enhance standards of ESG management and disclosure Ensure compliance of IT systems 	<ul style="list-style-type: none"> Regular information reporting Interviews with regulatory authorities Annual/interim financial reports and ESG report release Response to questions of Stock Exchange (by phone, mail, etc.) Connect with the Credit Reference Center of the People's Bank of China 	<ul style="list-style-type: none"> Fulfill information disclosure obligations in accordance with the Listing Rules Adjust internal business processes and standards in accordance with regulatory requirements Establish and maintain IT systems in accordance with regulatory requirements
Shareholders/investors	<ul style="list-style-type: none"> Provision of corporate information in compliance with the relevant regulations Enhance standards of ESG management and disclosure Stable relationship and valuation 	<ul style="list-style-type: none"> Due diligence Roadshows Shareholders' general meetings Interim and annual reports, announcement and circulars 	<ul style="list-style-type: none"> Respond to investors' concerns about ESG and corporate governance Organize shareholders' general meetings, visit investment institutions and analyst teams
Funding partners/banks	<ul style="list-style-type: none"> Provision of corporate information in compliance with the relevant regulations Enhance standards of ESG management and disclosure Exploration of ESG financing channels 	<ul style="list-style-type: none"> Due diligence Financing structure design 	<ul style="list-style-type: none"> Respond to investors' concerns about ESG and corporate governance



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Stakeholders	Expectations and demands	Communication methods	Our responses
Employees	<ul style="list-style-type: none"> Compliant corporate structure and business operation Legal and healthy employment relationship Meet demands for administrative services Honest practice and compliant in company policies of business personnel 	<ul style="list-style-type: none"> Recruitment, promotion, performance assessment and monthly interview Inter-departmental meetings Mail and office software Internal audit, letter of undertaking of integrity and trainings 	<ul style="list-style-type: none"> Establish staff recruitment, promotion and appraisal systems; create a healthy and fair work environment; and provide communication channels Conduct procurement or other services according to procurement standards and actual needs of staff Ensure employees' business conducts comply with corporate rules related to anti-corruption requirements through internal audit Require its staff to sign a letter of undertaking of integrity when joining the Group Conduct anti-corruption training at least once a year Provide complaint reporting channels
Public/community	<ul style="list-style-type: none"> Corporate social responsibility and public welfare Corporate image 	<ul style="list-style-type: none"> Cooperate with charitable organizations and communities and business units Industry conferences, interviews, WeChat official account and official website 	<ul style="list-style-type: none"> Establish a foundation, participate in public welfare activities and make donations Attend relevant industry conferences or forums Executives were interviewed by the media Publicity on official website and official account



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Stakeholders	Expectations and demands	Communication methods	Our responses
Suppliers/business partners	<ul style="list-style-type: none"> • Sound cooperative relationship • Suppliers and product quality that meet relevant standards • Product quality • Clean procurement 	<ul style="list-style-type: none"> • Communication by cooperative online systems, emails, offline documents, etc. • Procurement and after-sales service • Official website, complaint mailbox and complaint hotline 	<ul style="list-style-type: none"> • All suppliers shall be admitted only after the procurement review process • Select suitable suppliers in accordance with the procurement system • Conduct product information security assessments on partners • Procure data services such as business information and public opinion analysis • When signing a business contract, the supplier shall also sign a letter of undertaking of integrity • The official website and official accounts provide ways to file complaints and provide a channel for suppliers to monitor the Company's procurement practices
Customers/potential customers	<ul style="list-style-type: none"> • Stable relationship • Customer inquiries and complaints • Honest practice of staff • Customer data protection 	<ul style="list-style-type: none"> • Official website, brochures, reports, announcements • Official website, mail and hotline • Business system platform • Onsite interviews • SY Cloud Platform 	<ul style="list-style-type: none"> • Organise marketing activities and visit customers • Respond to customer consultation and complaints • Provide channels for the customers to file complaints through the official website and WeChat account • Maintain the security and privacy of customer information in the business system • On-site due diligence for customers at entry stage • Ongoing post-loan monitoring



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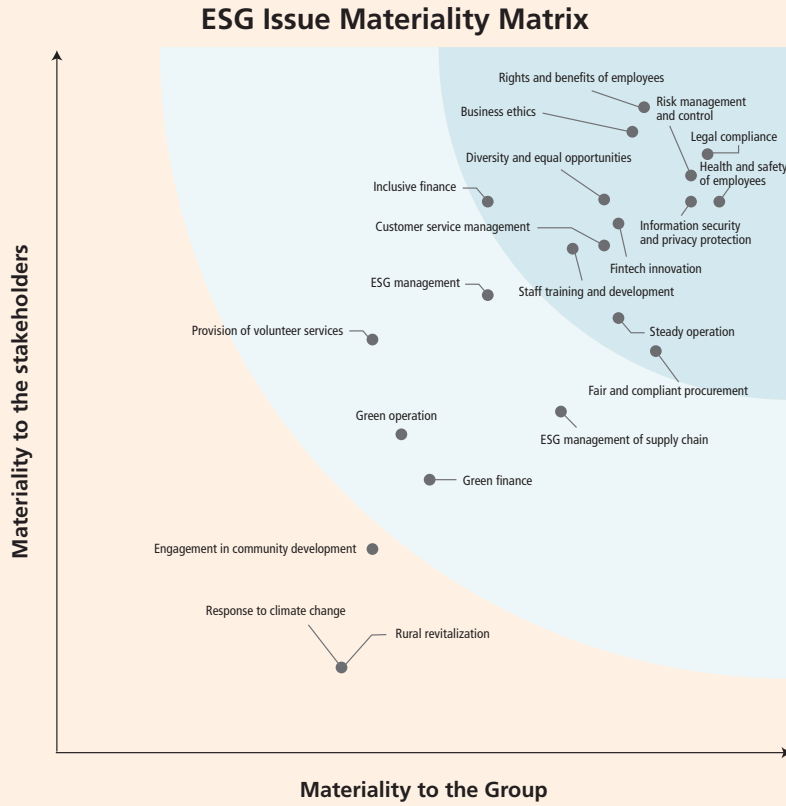
5.5. Material Issue Analysis

During the Reporting Period, we continued to carry out the assessment and analysis of material ESG issues in the process of “identification – evaluation and ranking – review” to deeply understand the core issues that stakeholders are concerned about in the field of sustainable development. We hope to report the ESG issues that have a significant impact on SY and all stakeholders in a comprehensive and accurate manner in this Report, so as to demonstrate our practices and progress in sustainable development.

Identification	By studying the domestic and overseas industrial development where the Group operates and reference to the “Environmental, Social and Governance Reporting Guide” of the Hong Kong Stock Exchange and other domestic and overseas guidance on sustainable development as well as collating the ESG disclosures from our advanced peers, we have identified 21 ESG issues closely relating to the Group based on our own situation.
Evaluation and Ranking	<ul style="list-style-type: none"> • We have invited internal and external stakeholders (external stakeholders: government and regulators, shareholders/investors, customers/potential customers, funding parties/banks, suppliers/business partners, the public/community; internal stakeholders: employees) to participate in the evaluation and ranking of ESG materiality issues by completing online survey questionnaires. • External stakeholders have evaluated the materiality of the ESG issues in terms of the impact of such issues on them, while internal stakeholders have evaluated the materiality of the ESG issues in terms of the impact of such issues on business growth of the Group. A total of 118 effective questionnaires have been collected in the survey with the relevant completion rate of stakeholders satisfying our expectation. • We have ranked the materiality of ESG issues and formed a matrix of ESG materiality issue for the Reporting Period based on two dimensions, being “materiality to stakeholders” and “materiality to the Group”.
Review	The Board of Directors of the Group has monitored the comprehensiveness of process of ESG materiality issue identification, and have reviewed the evaluation and ranking process of materiality issue, and have reviewed the ESG materiality issue matrix for the Reporting Period. It has also considered the potential impact of the relevant issues on the Group’s business model and related risks, and accordingly makes disclosure in this Report and adjustment in subsequent ESG work.



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Degree of importance	Area	Issue
Issues of high importance	Company governance	<ul style="list-style-type: none"> • Risk management and control • Steady operation • Legal compliance • Business ethics
	Responsibility for customers	<ul style="list-style-type: none"> • Customer service management • Information security and privacy protection
	Responsibility for employees	<ul style="list-style-type: none"> • Rights and benefits of employees
Issues of medium importance	Company governance	<ul style="list-style-type: none"> • ESG management
	Responsibility for customers	<ul style="list-style-type: none"> • Fintech innovation
	Responsibility for employees	<ul style="list-style-type: none"> • Diversity and equal opportunities • Health and safety of employees • Rights and benefits of employees
	Management of supply chain	<ul style="list-style-type: none"> • ESG management of supply chain • Fair and compliant procurement
	Responsibility for community	<ul style="list-style-type: none"> • Engagement in community development
	Responsibility for green development	<ul style="list-style-type: none"> • Green finance • Green operation • Response to climate change • Rural revitalization
Issues of low importance	Responsibility for community	<ul style="list-style-type: none"> • Provision of volunteer services
	Responsibility for customers	<ul style="list-style-type: none"> • Inclusive finance



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6. TECHNOLOGY SUPPORTING GROWTH OF SMES

SY always regards technology as the most critical element in the supply chain. It actively drives its platform-centric development strategy and pioneers innovative fintech solutions for the sector, reinforcing its commitment to advancing growth of SMEs.

6.1. Promoting a Platform-based Development Strategy

Under the guidance of the Group's strategy, SY supports the growth of SMEs through the independently developed and AI-driven industry intelligence platform "SY Cloud Platform" to address their order sales and supply chain financing needs. The platform strengthens the dual drivers of technology and data by deepening industrial ecosystems and linking industrial data, connecting physical industries with financial institutions. By utilizing technological means such as big data analysis, large model inference, and AI intelligent risk control, it implements the "transaction-focused, entity-light" risk control framework and business model. This achieves precise matching of high-quality supply chain assets with diversified funding, effectively assisting SMEs in obtaining working capital and achieving cost reduction and efficiency enhancement. Additionally, it provides comprehensive sales and supply chain management services for corporate clients, including order and marketing management, intelligent receipt inspection, digital supply and inventory management, and account period management, thereby laying a solid foundation for more efficient and sustainable development in the future.

As at the end of the Reporting Period:

- The cumulative supply chain assets processed by the SY Platform exceeded RMB332.4 billion, representing an increase of approximately 34% compared to last year
- The cumulative number of platform users exceeded 23,000, representing an increase of approximately 27% compared to last year
- The proportion of SME customers accounts for over 96%, while the proportion of first-time borrowers exceeds 30%
- The customer retention rate exceeded 80%, helping SMEs achieve an annual sales scale increase of over 60%

Case: SY and YOFC Entered into Strategic Partnership, Extending Platform Technology Service Application Scenarios to New Infrastructure

On 27 February 2026, SY Holdings Group Limited entered into a strategic partnership with Yangtze Optical Fibre and Cable Joint Stock Limited Company, a Chinese leader in the optical communication industry. This cooperation marks a further extension of SY's platform technology service application scenarios and customer coverage into the high-growth sector of optical network infrastructure construction. Through this cooperation, SY is expected to collaborate with YOFC to support the development of telecommunications infrastructure in underserved regions by offering a one-stop solution covering supply chain services, capital financing, exchange rate management and digital empowerment, thus accumulating replicable experience for subsequent expansion into the new infrastructure sector, and validating the platform-based service model's ability to connect and empower across diverse industrial ecosystems.

In addition, SY will complete the integration of its ecosystem and data through the "SY Cloud Platform", building an efficient bridge to match high-quality assets with inclusive financing. The Company will provide customized supply chain solutions for upstream and downstream enterprises in the optical communication industry chain, effectively addressing pain points such as customers' capital turnover, order acquisition and global layout, thereby contributing to the consolidation of the "foundation" for the development of China's digital economy.

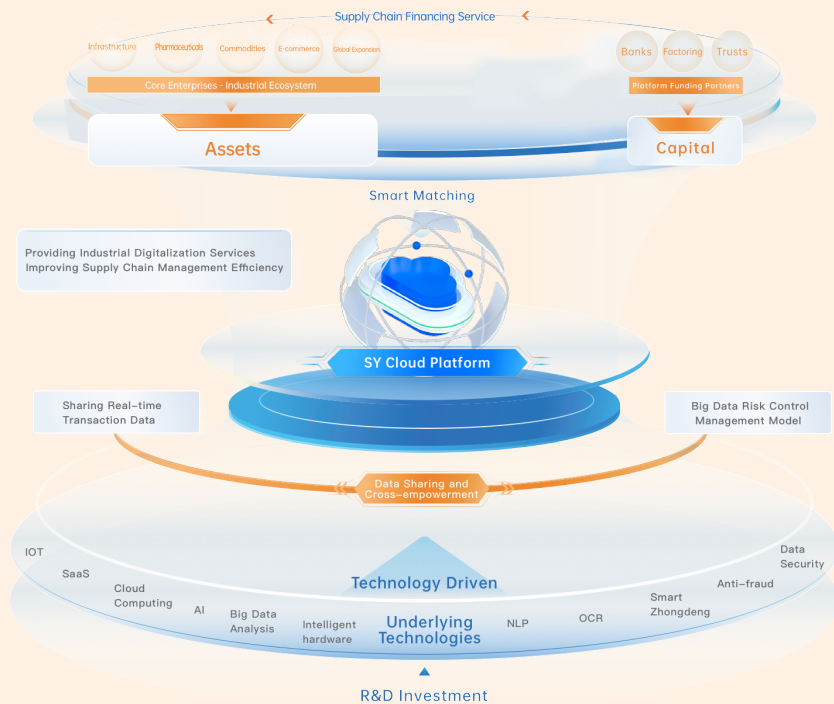


Case: SY Entered into Strategic Cooperation with Carro, Facilitating International Business Expansion with Platform-based Solutions

On 21 August 2025, SY signed a strategic cooperation memorandum of understanding with Carro, the largest and fastest-growing online car trading platform in the Asia-Pacific region. In this cooperation, SY will facilitate Carro’s business expansion plans through technology-driven supply chain working capital solutions. Both parties will also explore the application of AI technology in the supply chain to enhance Carro’s risk control capabilities and operational efficiency. This cooperation demonstrates that SY’s platform-based and technology-driven service capabilities can effectively support the business development of leading international enterprises, marking an important step in its global layout and the export of its platform capabilities.

6.1.1. SY Cloud Platform

Based on years of industrial experience and fintech innovation achievements, SY focuses on key national industries such as infrastructure, pharmaceuticals, and commodities, as well as strategic emerging sectors, including e-commerce, robotics, and intelligent computing services, and brings core enterprises, SME suppliers and financial institutions in the supply chain scenario to a cloud platform. It empowers SMEs and supports their growth by converting information into credit and other financial technologies through the application of advanced technologies such as the Internet of Things (IoT), cloud computing, big data and artificial intelligence (including NLP, OCR and machine learning), and empowers financial institutions with powerful big data risk control technologies. The SY Cloud Platform connects industrial entities and financial institutions, to achieve precise matching of high-quality supply chain assets with diversified funding by utilizing technological means such as big data analysis, big data reasoning, and AI intelligent risk control. It also provides value-added services in the supply chain, including marketing and customer acquisition, customer data analysis, and inventory management for enterprises within the industrial ecosystem, to support growth of SMEs by addressing their order sales and supply chain financing needs. This platform has improved the supply chain management capabilities of the industry as a whole, making the supply chain more efficient and inclusive.



Overall framework for the SY Cloud Platform and Related Services



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6.1.2. Industrial Digital Ecology

SY actively promotes the construction of industrial ecosystems, addressing key pain points faced by SMEs in areas such as order acquisition (dispersed channels and delayed responses), supply chain collaboration (information gaps and inefficient fulfillment), and resource matching (insufficient matching accuracy) by leveraging cutting-edge technology to break down information barriers in the industrial chain. Leveraging industry practices, SY has built a comprehensive and digital supply chain technology platform that covers order matching, production collaboration, logistics tracking, and capital turnover, helping SMEs enhance their market responsiveness and operational resilience. Currently, we have deepened cooperation with core enterprises in the ecosystems of construction, healthcare, e-commerce, and other fields, continuously optimizing cross-scenario digital service capabilities to provide efficient and sustainable value co-creation solutions for ecosystem participants.

- *Facilitate digitalization of the infrastructure sector*

As an important pillar industry of China’s national economy, the construction industry is vast in scale yet remains relatively underdeveloped in terms of informatization. This situation is closely related to the inherent characteristics of the construction industry, such as geographically dispersed projects, high engineering complexity, and challenging on-site management, which collectively result in a predicament marked by high resource consumption, low technological application, significant capital input, and limited productivity. Amidst the vigorous development of the digital economy, the digitalization and intelligent transformation of construction operations have become an inevitable trend and strategic choice for the industry. This is not only an external requirement in response to the evolving times, but also the core endogenous driving force that propels the infrastructure sector towards high-quality development, injecting continuous momentum into the industry’s ongoing advancement and innovation-led upgrading.

In response to a series of challenges in the infrastructure sector, SY relies on smart construction site solutions and an intelligent procurement service platform to not only assist core infrastructure enterprises in enhancing the efficiency of supply chain digital management but also to obtain real and real-time transaction data from SME suppliers. Through data analysis and intelligent matching, it helps supplier clients improve bidding efficiency and acquire more orders.



Procurement and Order Services



Smart Infrastructure Inspection System



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- *Improve the efficiency of the supply chain in the pharmaceutical sector*

The management of traditional medical supplies faces issues such as complex procurement processes, inventory shortages and backlogs, cumbersome and error-prone inventory checks, difficulties in drug traceability and low delivery efficiency. As a crucial component of hospital cost control, there is an urgent need to transition medical supplies management toward precision and scientific methodologies. SY has developed a supply chain flow management system for large pharmaceutical distribution enterprises, which can help clients accurately grasp and intelligently analyze pharmaceutical distribution data and sales trends, thereby assisting distributors in precisely expanding their business and improving inventory management efficiency.

序号	子公司名称	商品编码	Drug Names	Drug Specification	供应商编码	Supplier Names	操作
1	南康责任公司	110921825	清血解毒(乙酰胺)	70m*10mm*2's	152528	南康责任公司	编辑 删除
2	大药房	100004368	云南白药(打乳透气型)	6.5mm*10mm*5's	282018	南康责任公司	编辑 删除
3	大药房	1000185429	小康速解粒	10g*10袋	282018	南康责任公司	编辑 删除
4	南康公司	119071146	特维他孕乳及乳母营养补充食品	1.2g*30's	415669	南康公司	编辑 删除
5	南康责任公司	110205564	康灵片	100mg*10mg*6's*2瓶(康灵片)	014006	南康责任公司医药部	编辑 删除
6	南康责任公司	100028813	红霉素软膏	1% 10g	014006	南康责任公司医药部	编辑 删除
7	南康责任公司	1000248895	头孢克肟分散片	0.125g*10's	014006	南康责任公司医药部	编辑 删除
8	南康责任公司	1000289830	抗滴毒颗粒	9g*20袋	014006	南康责任公司医药部	编辑 删除

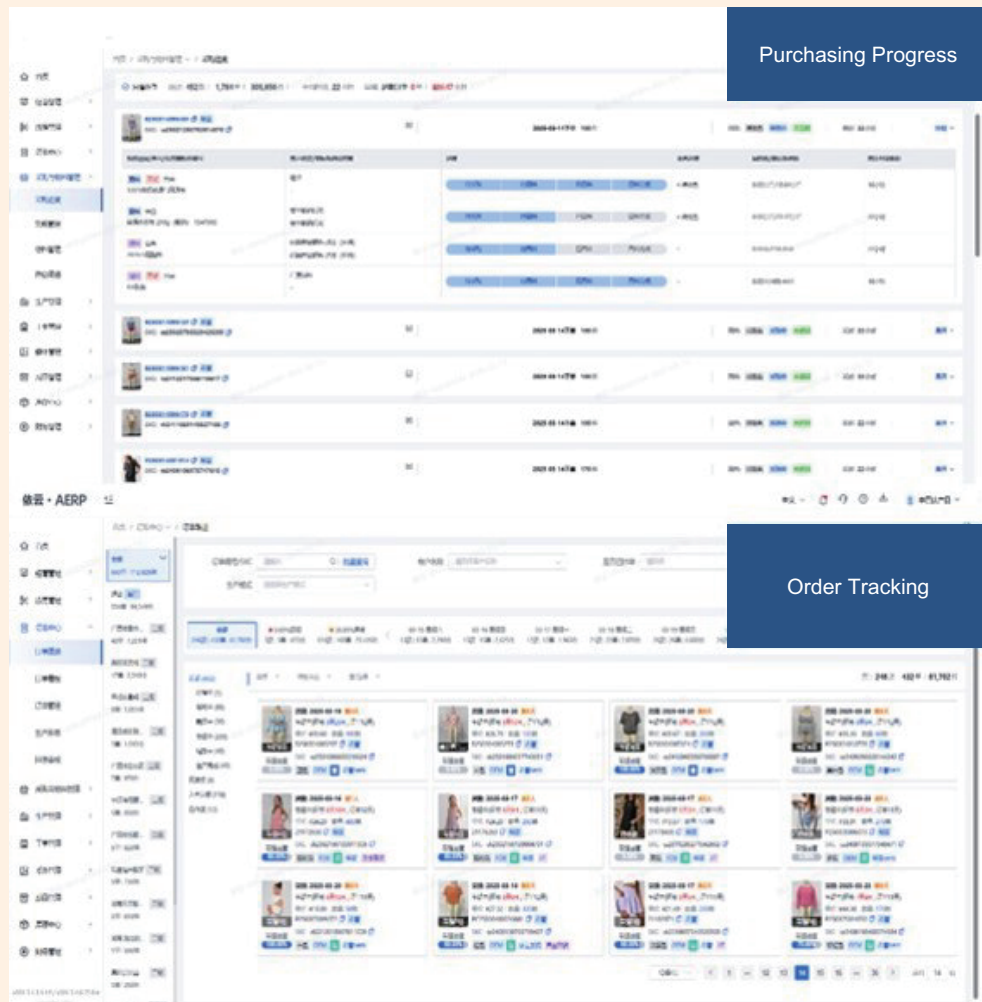
Pharmaceutical Distribution System



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- Empower flexible supply chains in the e-commerce sector

As consumer demand becomes increasingly fragmented and the requirements for delivery timeliness continue to rise, the e-commerce sector, particularly in clothing, is placing higher demands on the supply chain’s “small order quick response” capabilities. This necessitates the introduction of flexible supply chains that enable enterprises to swiftly adapt to changes in market demand, allowing for agile adjustments across production, inventory, logistics and other aspects, in order to meet diverse consumer needs with minimal cost and time delays. SY empowers the construction of flexible supply chain platforms in the apparel e-commerce sector through its supply chain technology platform. By utilizing advanced technologies such as big data and artificial intelligence, it achieves real-time sharing and precise analysis of supply chain information, helping SMEs suppliers to respond promptly to fluctuations in e-commerce orders, quickly coordinate raw material procurement and production scheduling, reduce inventory backlog risks, and promote agile responses and collaborative efficiency across the entire supply chain. This continues to provide innovative supply chain technology and service support for high-quality Chinese products and brands to enter the international market.

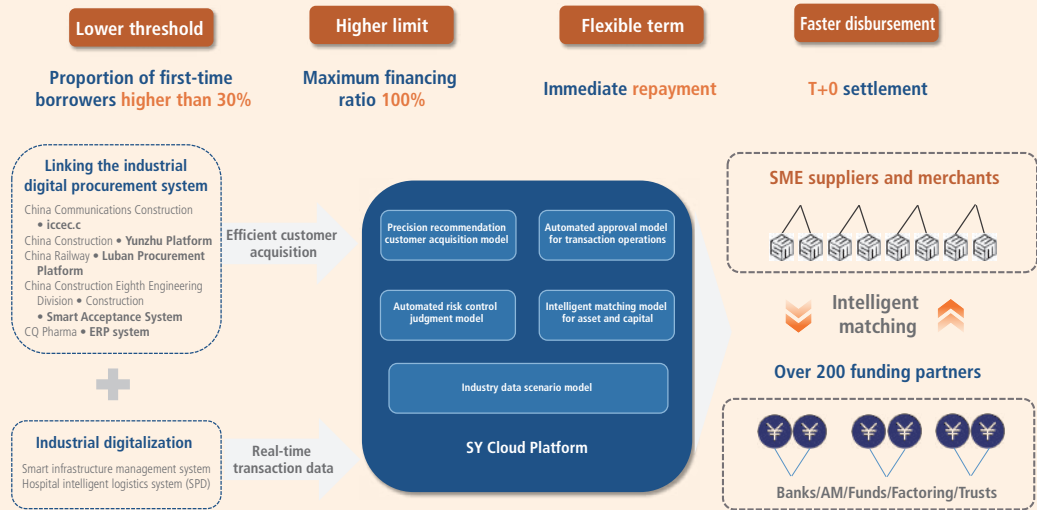


Flexible E-commerce Supply Chain System



6.1.3. Empowering Inclusive Finance

SY seamlessly connects with the digital systems of core enterprises in the industry through deep integration with the industrial digital ecosystem, obtaining real-time transaction data of SMEs within the industry ecosystem. Based on the massive accumulation of industrial data, the platform constructs an “industrial data scenario model” that integrates core models such as semantic analysis (NLP), automated approval, and intelligent risk control, creating the intelligent hub of the “SY Cloud Platform”. By accurately analyzing valuable information such as historical transactions, performance capabilities, and supply chain relationships of enterprises, the platform intelligently matches small and micro suppliers with diversified funding sources including banks, trusts, and factoring companies, providing customized financing services with lower thresholds, higher limits, flexible terms, and faster disbursement. By leveraging deep digital collaboration with the industrial sector, we help small and medium enterprises that traditional finance has struggled to reach efficiently resolve their supply chain funding turnover issues, effectively promoting the deep integration of inclusive finance with the real economy.



Inclusive Finance Business Model

	SY Digital Finance	Traditional Bank Factoring
Range of Offering	<ul style="list-style-type: none"> Covers the entire supply chain settlement cycle allowing for more innovative solutions 	<ul style="list-style-type: none"> Notification-based factoring Fails to solve SMEs’ pain points in a timely manner
Customer Experience	<ul style="list-style-type: none"> SY Cloud platform is fully online Convenient and flexible 	<ul style="list-style-type: none"> Application process done largely offline Cumbersome
Flexibility	<ul style="list-style-type: none"> Big data-driven, more precise and efficient Competitive financing rate offerings and flexible repayment schemes 	<ul style="list-style-type: none"> Follows traditional rationale of credit risk control, without support from real-time data and flexibility More requirements and limitations



6.1.4. Application of AI Technology

In 2025, SY continued to deepen the application and implementation of artificial intelligence technology in supply chain finance and internal operation scenarios. Centering on the strategic direction of “technology empowering business and AI enhancing operational efficiency”, the Group focused on developing two major innovative projects, namely AI-powered Bank-Securities Matching and AI-driven Intelligent Invoice Approval, achieving core technological breakthroughs in key areas such as intelligent analysis, automated matching and full-process approval. This has not only effectively resolved the constraints on overall efficiency caused by a large amount of repetitive work in financial accounting and operational auditing, but also mitigated the risk of manual operation errors through end-to-end intelligent risk control verification, thereby providing robust technical support for the compliant operation, cost reduction and efficiency enhancement of SY’s supply chain finance business.

- *AI-powered Bank-Securities Matching*

This solution focuses on the pain points associated with matching bank statements and accounting vouchers in financial accounting workflows. In accordance with the requirements of the financial management system, paper bank statements are required to be bound and retained as attachments to vouchers. Currently, there are a total of approximately 10,000 to 15,000 voucher numbers related to monthly bank statements. Five staff members are assigned to process the statement numbers for a single month, with each person requiring about 3 to 4 days to complete the task. The workload is massive, the tasks are highly repetitive, and the process is time-consuming. Furthermore, the sequence of bank statements is inconsistent with the sequence of voucher numbers. Statements with the same date and same amount but different counterparty names require multiple rounds of cross-referencing and confirmation, and the combination of large volumes and small text makes errors highly likely. In response to the aforementioned pain points, AI-powered Bank-Securities Rapid Matching achieved a breakthrough through technological innovation, ultimately reducing manual audit workload by over 90% and achieving an overall matching accuracy rate of over 94%.

- *AI-driven Intelligent Invoice Approval*

This solution focuses on the pain points in invoice verification within supply chain finance scenarios. In the current invoice verification process, only invoice authentication and Zhongdeng duplicate checks can be achieved through manual data organization and system input, while the remaining verification tasks rely entirely on manual processing by the operations department. The large volume of low-skill, repetitive tasks significantly slows down the overall document verification process, and any errors in manual verification can easily lead to customer complaints and financial losses for the Company. In response to the aforementioned pain points, the introduction of AI-driven intelligent invoice approval has increased labor efficiency by approximately 8.39 times, with a cumulative approval accuracy rate of 100%.



6.2. Innovative Fintech in The Industry

SY positions technology as the pivotal engine for achieving efficient operations and intelligent collaboration within the supply chain. It focuses on advancing technological research and development and application, continuously strengthens the synergy between technology and business operations, increases investment in innovation and R&D, transforms scientific and technological achievements into productivity, and promotes the development of supply chain technology and digital finance.

6.2.1. Increasing Innovation Incentives

SY has formulated the Intellectual Property Management System of SY Holdings Group Limited, the Measures for the Management of Scientific and Technological Projects of SY Holdings Group Limited, the Measures for the Management of Project Incentives of SY Holdings Group Limited and the Reward and Punishment Management Measures of SY Holdings Group Limited, and set up the first national post-doctoral scientific research station for factoring enterprises in China. The Company has formulated the Work Management System and the Establishment of Management Institutions for Post-doctoral Scientific Research Stations.

Research Directions:

- Exploration and innovation of operational models for shared supply chain finance platforms
- Applications of digital supply chain finance
- Innovation in business models for supply chain financing services
- Value extension in the supply chain finance industry and the development of an industry ecosystem
- Innovation in supply chain fintech
- Other topics related to technology and finance

For personnel who have made outstanding contributions to the formation, protection, management and transformation of scientific and technological achievements of intellectual property rights, or who have effectively prevented infringement and protected the legitimate rights and interests of the Company's intellectual property rights, they will be incentivized in accordance with the internal system. As at the end of the Reporting Period, the Company has granted incentive bonuses of RMB58,500 to colleagues who successfully applied for software copyright and patents.

As at the end of the Reporting Period:

- Total R&D investment reached RMB300 million
- The Company owned a total of 15 authorized patents
- The Company owned a total of 85 computer software copyrights
- The Company had 122 R&D team members
- Percentage of R&D team members accounted for approximately 31% of total employees



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6.2.2. Promoting Platform Upgrading

Iteration of SY's self-developed SY Cloud Platform has been continuously accelerated. Through the upgrade of digital and intelligent functional modules such as intelligent Zhongdeng duplicate check, fast invoice verification, credit report analysis, and intelligent contract approval, SY has continuously increased the processing efficiency of its supply chain finance business and has improved the whole-process online service experience of customers.

In the future, with the support of the new controlling shareholder, Taihu New City Group, SY will assist Wuxi Guojin Factoring in upgrading its full-process online technology system and further optimize the industry data-driven intelligent risk control model, continuing to deliver leading supply chain technology services and inclusive financial solutions.

During the Reporting Period:

- Accuracy rate of OCR recognition of 98%
- Duplicates checking of Zhongdeng Net accounts of 1.9839 million times
- Business contract review of 29,000+

6.2.3. Improving Risk Control Service Capabilities

SY will continue to increase its investment in the improvement of risk control capabilities, and to promote the research and development of key technologies for risk prevention and control, and to further optimize smarter big data risk control models to strengthen its risk control capabilities, thereby providing more efficient and professional risk management support for business scenarios. SY has demonstrated exceptional risk control capabilities, with a client delinquency rate of merely 0.13% and a non-performing loan ratio of 0.07% during the Reporting Period.

• *Construction of Risk Assessment Model*

According to the different stages of pre-lending, in-lending and post-lending, the financing subject of the financing project, the individuals and enterprises related to the core enterprise, etc., we have combined the public opinion, the actual progress and the financial situation of the underlying trade project, etc., to develop and to upgrade the risk assessment model covering the whole process, multi-dimensional verification, and dynamic tracking management.



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- *Apply Big Data to Improve Risk Control Capabilities*

Diversified Data Sources	<p>Financial data: credit data of the PBOC, data of Zhongdeng Net, data of the Commercial Paper Exchange, etc.</p> <p>Third-party data: Baihang Credit, Qcc.com, Sesame Credit, Tencent Anti-Fraud, Exchange Law, Easy Invoice, Kingdee, CINCT, etc.</p> <p>Industry data: Yunzhu Platform, Luban Procurement Platform, iccec.cn (交建雲商), ERP data of core enterprises, etc.</p>
Diversified data Application scenarios	In the above pre-lending, in-lending and post-lending risk control models, different data will be used according to different risk points of concern for each business scenario to achieve differentiated management
Differentiated Advantages	Driven by data, we have developed a risk control model of “transaction-focused, entity-light”, enabling end-to-end monitoring of orders, logistics, and settlements through cross-verification. Through 12 years of vertical industry data accumulation, we have established system linkages with 17 leading core enterprises. This model achieves near-zero customer acquisition costs, highly efficient operations, and precise risk control, building a differentiated competitive advantage characterized by “high growth and steady dividend payout”



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6.3. Solving Financing Difficulties for SMEs

Inclusive finance represents a critical initiative impacting social welfare and people's livelihoods. SY persists in deeply integrating into the core enterprises' industrial supply chain ecosystem, leverages technological capabilities to empower digital finance, bridges the gap between industrial and financial sectors, focuses on positive factoring business, and connects the "last kilometre" to facilitate financings for SMEs.

As at the end of the Reporting Period:

- SY's supply chain financial services cover 34 provinces/autonomous regions/municipalities
- The platform secured more than 23,000 customers

During the Reporting Period:

- Among the SMEs served by SY, the proportion of "credit-invisible individuals"¹ exceeds 30%
- The average individual loan size of SMEs was approximately RMB860,000

• Satisfying Diversified Financing Needs

SY provides mature technology system support and platform services to commercial factoring companies with state-owned background in various regions, and leverages the credit enhancement endorsement and industrial ecology of local high-quality state-owned enterprises to optimize financing structures, reduces capital costs and improve leverage multiples, so as to attract "financial resources" to serve the real economy, thereby accelerating the expansion of business scale. As at the end of the Reporting Period, the number of funding partners linked to the SY platform exceeded 200, representing an increase of 23% as compared to that as at 31 December 2024, and SY has become a preferred partner for financial institutions to practice inclusive finance.

• Technology Empowering Inclusive Finance

Targeting at the pain points of difficult and expensive financing for SMEs, SY adopts the risk control logic and business model of "focusing on transactions instead of entities". Through cooperation with ecological partners, SY gives full play to the platform connection ability, focuses on integrating industrial ecological data, third-party platform data, public credit information platform data, etc., to understand the production and operation of SMEs from the "sides", help SMEs to establish transaction portraits and digital credit, break through the dependence on core enterprises for confirmation and guarantee, and continuously improve the availability of inclusive financing in the supply chain.

¹ "Credit-invisible individuals" refer to users who have never applied for corporate financing services from financial institutions



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SMEs have difficulties in obtaining the “first loan”, mainly due to information asymmetry. SY breaks information barriers through the layout of industrial Internet, deeply explores the value of industrial data to empower digital finance, and innovatively provides various financing services such as bidding margin factoring, order factoring, arrival factoring, receivable factoring, bill pledge factoring and buyer’s right confirmation factoring at different stages of the entire settlement process of the supply chain, so as to meet the capital needs of SMEs at various transaction nodes.

Case: Exploring Stablecoin Applications to Enhance the Efficiency of Cross-border Inclusive Finance

SY positions stablecoins as a key tool for its international supply chain technology platform. When establishing its international headquarters in Singapore, the Company explicitly stated that it will explore innovative application scenarios for the Web3.0 ecosystem and stablecoins to build a one-stop internationalized supply chain technology platform that supports the globalization of SMEs.

Traditional cross-border payment processes are complex and costly. According to the data from World Bank, the average global remittance fee is approximately 6.62%, and funds typically take 1–5 working days to arrive. Leveraging blockchain technology, stablecoins constitute a promising solution by facilitating real-time, low-cost settlement (with costs as low as 0.1%), while effectively hedging against exchange rate fluctuation risks.

In August 2025, SY successfully issued the first supply chain asset-backed Real World Assets (RWAs) tokenization project in the Asia-Pacific region on HashKey Chain. With stablecoins serving as the core medium for on-chain transactions and settlement, the integration of these two elements provides global investors with a compliant and efficient channel for digital asset allocation, thereby helping SMEs improve capital utilization efficiency and reduce financing costs.

- **Standard Factoring**

SY continues to improve the connectivity between high-quality assets and inclusive funds through advanced digital technology and efficient intelligent risk control methods, and continues to develop standard factoring business to help SMEs develop steadily.

Case: SY Factoring Launched Industry’s First Innovative Agricultural-related Factoring Transaction certified as Green Assets, Leveraging Green Assets to Boost Rural Revitalization

On 29 July 2025, SY Factoring Limited (“**SY Factoring**”), a wholly-owned subsidiary of SY Holdings Group Limited, successfully launched the industry’s first innovative agriculture-related factoring transaction certified as green assets by disbursing green factoring funds of approximately RMB5 million to Guizhou Jianhe County Sentou Forestry Co., Ltd. (貴州省劍河縣森土林業有限公司) to support the forest cultivation and construction project for the National Reserve Forest Project in Huaying City, Sichuan Province, achieving a “zero breakthrough” in this field.

This transaction is based on green assets that have been authoritatively certified by Lianhe Equator Environmental Impact Assessment Co., Ltd., a third-party green assessment agency. It innovatively established a “look-through financing for green assets” model and successfully secured specialized re-factoring support from the Tianjin Branch of China Minsheng Bank. This practice not only effectively activated the financial attributes of green assets and laid a foundation for subsequent financing innovation, but also represented a beneficial exploration by SY in actively responding to the national “dual carbon” and “rural revitalization” strategies, extending inclusive financial services into the green agriculture sector and promoting the transformation of ecological resource advantages into economic development advantages.



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7. BUILDING A LOW-CARBON ECOSYSTEM

Practising low-carbon finance is one of the key initiatives taken by SY to fulfil its corporate social responsibility. SY has incorporated environmental factors into its strategic development, business layout and daily operations. It identifies and analyzes climate change risks and opportunities related to its own operations and businesses, and establishes and implements various action plans to comprehensively advance green and low-carbon initiatives, thereby mitigating and adapting to climate change. Meanwhile, SY continues to strengthen green operational management, boosting green and low-carbon development of the industry, and contributing to environmental improvement and sustainable development.

7.1. Contributing to the Low-carbon Transformation of Industries

While promoting its own carbon reduction through online, paperless and green operations, SY actively promotes carbon emission reduction in the value chain, promotes the low-carbon transformation of the industrial chain through digital means, and is committed to building a green supply chain financial ecosystem.

7.1.1. Priority for Access to Low-carbon Projects

According to the ESG Management System of SY, we have established a green channel for sustainable development projects. For the underlying trading goods or projects, environmental protection certifications such as environmental impact assessment will be required depending on the specific situation. For the infrastructure sector, infrastructure facilities (public transport facilities and roads, municipal pipe network, etc.), public buildings (public schools, hospitals, cultural and sports stadiums, parks, greenery, etc.), industrial parks (industrial parks and ancillary facilities, logistics and storage, etc.) and new infrastructure projects (new energy facilities, big data center, artificial intelligence, industrial internet, etc.) have the priority for access.

In addition to granting priority access to green low-carbon projects, we have also established the “Procurement Management Rules of the Company”, which set clear requirements for supplier access: compliance with national requirements in terms of labor protection, energy conservation and emission reduction, and ecological protection.



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7.1.2. Carbon Reduction from Our Own Operations

SY has realized its own carbon emission reduction through its self-developed “SY Cloud Platform” which includes providing functions such as electronic signature, video inspection upon arrival, registration and duplicate check through Zhongdeng Net, intelligent text analysis, and connection to the credit information system of PBOC, thus realizing a digital, systematic and intelligent supply chain technology model. From uploading materials, applying for loans, obtaining credit to approving loans, all the financing services are provided through “online and paperless operations”, reducing the average processing time for customer transactions by approximately 90%.

Online SY Cloud Platform integrates functions such as invoice validation, transaction register and duplicate check in the Zhongdeng Net, data collection and analysis, risk management, asset management services, etc., to realize the online operation and management of a series of processes such as business operation, risk control and asset management, which not only makes the financing application process more convenient for customers, but also saves labor costs and carbon emission costs from offline travel for the parties concerned. Besides, with the access to the credit reference system of the People’s Bank of China, the largest credit reference system around the world, SY further improves the efficiency of reviewing the risks from accounts receivable and strengthens the risk control mechanism. Meanwhile, customers of SMEs no longer have to bring various certificates and related materials to the credit reference center in person to obtain credit reports, eliminating the carbon emissions generated by customers’ business travel

Paperless SY participates in the online signature system of the China Financial Certification Authority (CFCA), a PRC authoritative security certification body under the People’s Bank of China, so as to provide each project company and supplier with an independent digital certificate of electronic signature. Leveraging on the legal effect of electronic signatures which effectively avoid the risk of false signatures, customers can directly sign agreements remotely and confirm the transfer of accounts receivable, which replaces the offline signing method of delivering contracts by express mails (which is time consuming and incurs high labor costs), thereby significantly reducing the cost of carbon emissions by offline transportation

As of the end of the Reporting Period, the SY Cloud Platform has cumulatively reduced paper consumption by over 73 million pieces, equivalent to a reduction of 566 tonnes of carbon emissions.



7.1.3. Value Chain Carbon Emission Reduction

SY actively develops green business across upstream and downstream value chains, prioritizing carbon reduction efforts among core enterprises. By offering green financing projects, we mobilize additional capital to support enterprises in their green and low-carbon transformation, while also building a digital green supply chain financial ecosystem. By utilizing a green financial service system, we promote the low-carbon emission reduction across value chains.

- *Green Financing Driving Sustainability*

Green financing projects represent one of the important means to achieve carbon emission reduction across the value chain. Based on the Company's "Sustainability-linked Financing Framework", SY provides funding support to partners through innovative financial instruments, empowering them to enhance environmental performance, actively respond to climate change and promote efficient resource utilization. SY not only provided financial support to its partners to promote the implementation of green projects, but also guided enterprises to optimize supply chain management through financial means, closely integrating financial activities with environmental protection and efficient resource utilization, thereby facilitating the synergistic development of the economy and the environment, and accelerating the achievement of the "dual carbon" goals.

SY released its "Social Responsibility Financing Framework" and "Sustainability-linked Financing Framework" in 2022, and received second-party opinions from Sustainalytics, an international authoritative ESG rating and research agency, and SusallWave, a domestic authoritative assessment agency, laying the foundation for the Group and its subsidiaries to engage in sustainable development financing.

During the Reporting Period, SY platform provided approximately RMB3.523 billion in supply chain financial services to 214 green and low-carbon infrastructure projects, effectively promoting carbon emissions reductions across the entire value chain and driving the low-carbon transition of traditional industries.

- *Building a Green Supply Chain*

SY has actively cultivated a, vigorously developed loans to SMEs and financing projects for social responsibility focusing on infrastructure and medical industries, launched a digital green supply chain financial ecosystem, and deeply practiced the promotion of green supply chain and green operation. We provide a series of technological services, such as the "smart construction site" and the "pharmaceutical SPD" supply chain, to help traditional infrastructure projects and pharmaceutical distribution fields achieve whole-process digitalization. At the same time, we also cooperate with domestic and foreign capital parties to develop more financing models that serve sustainable goals such as inclusive finance and low-carbon development, which can effectively promote carbon emission reduction in the value chain.



7.2. Tackling Climate Change

The global climate challenges are becoming increasingly severe. SY actively responds to the global call for addressing climate change, identifies and evaluates climate-related risks and opportunities, determines the significant impact of climate change risks on stakeholders, monitors and reviews climate change trends, implements diversified and effective measures on energy conservation and emission reduction, and continuously enhances its ability to defend against climate change risks.

According to SY's ESG Management Policy, the Group incorporates climate change risk considerations into its risk management framework. Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company conducts comprehensive climate management across four dimensions: governance, strategy, risk management and metrics and targets. It utilizes effective risk management processes to identify, measure, monitor, report, control and mitigate risks related to climate change.

7.2.1. Climate Governance

The Board and its Sustainability Committee continuously promote the governance of climate-related risks and opportunities of the Group. The Sustainability Committee regularly identifies the risks and opportunities posed by climate change to the Group's business, reports and makes recommendations to the Board, and collaborates with the ESG Working Group to jointly manage and supervise the implementation of the Company's climate-related governance initiatives. Each business department is responsible for the specific implementation and execution of low-carbon and emission reduction initiatives. The management reviews and assesses the progress of climate-related work on a regular basis.

For details on the climate-related governance structure and responsibilities, please refer to "5.2. ESG Governance System" in this report.

7.2.2. Climate Strategy

In response to China's "dual-carbon" green development goals and embodying the philosophy that "lucid waters and lush mountains are invaluable assets", SY has incorporated green and low-carbon strategies into its corporate development strategy system. The Company is committed to "releasing the carbon neutrality roadmap by 2030 and achieving carbon neutrality by 2060", while actively advancing its "green finance" initiatives to infuse financial momentum into the green and low-carbon transition of the socio-economic landscape.



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7.2.3. Climate-related Risk Management

- *Identifying Climate Change-related Risks*

Risk type	Risk description	Analysis of potential impact	Measures
Physical risks	Acute physical risk	Climate change may cause rise in sea level, accompanied with extreme weather such as droughts, storms, and floods	<ul style="list-style-type: none"> • Closely monitor extreme weather events in regions, take action in a timely manner and launch emergency plan in case of typhoon and natural disasters • Establish a mechanism of telecommuting, flexible clock in and timely reporting for staff to ensure their safety and stable operation • Closely monitor extreme weather events in regions, issue alerts to customers as soon as possible in case of typhoon and natural disasters • Prepare emergency plans in case of capital chain being affected, and implement it as soon as possible when necessary
	Chronic physical risk	Increase in average temperature	<ul style="list-style-type: none"> • Pay close attention to the health of staff • Establish a mechanism of telecommuting, flexible clock in and timely reporting for staff • Continuously keep eyes on operating situation of office premises
		<p>Online business may be impacted due to commuting disruption of staff resulting from typhoon and other extreme weather and restricted network, which in turn results in temporary suspension or decreased operating income of SY</p> <p>Resulting in direct losses to our customers' assets or projects (such as infrastructure projects, deliveries of construction materials or pharmaceutical inventories), which may affect their ability to pay us and may further affect the capital chain of SY</p> <p>Prolonged high temperature may cause discomfort to staff, which in turn may affect work efficiency and thus result in loss of economic benefits to the Company</p> <p>Prolonged high temperature will impose additional costs (such as refrigeration, food freshness assurance) on the Company's office premises</p>	



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Risk type	Risk description	Analysis of potential impact	Measures
Transformation risks	Policy and legal risks	Increased pricing of greenhouse gas emissions	Operation costs such as carbon taxes and carbon trading may be increased
	Stricter regulations and measures to reduce carbon emissions	Regulatory authorities may introduce stricter regulations and measures for carbon reduction and emission reduction in the infrastructure and energy industry in which SY is involved in the future. Such measures may affect risk assessment by potential customers in relevant industries on our specific businesses and assets	<ul style="list-style-type: none"> Continuously monitor the latest developments in environmental protection policies can comply with the local emission reduction policy Adopt scientific and effective energy consumption management system internally, strengthen energy management, and continuously carry out energy saving and consumption reduction Actively monitor the latest developments in climate related policies as well as laws and regulations Actively monitor the climate related information disclosure by customers of SY in relevant industries



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Risk type	Risk description	Analysis of potential impact	Measures
Market risk	Changes in customers' behavior	Investors and funding partners continue to show increased appetite and concern for sustainable projects and may prefer to cooperate with those that focus on environmental protection philosophy/ use low-carbon and clean energy. If SY is unable to provide assets that meet sustainability requirements, it may affect our ability to raise capital and our competitiveness in the market	<ul style="list-style-type: none"> • Increased focus on developing sustainable projects • Improved our efficiency of energy consumption through energy saving technology and effective methods • Increased investment in promoting environmental protection philosophy, inform the customers with the latest environmental protection policy interpretation and new measures for energy saving and emission reduction, so that customers can effectively track the environmental protection measures of the enterprise
Reputational risk	Increasing concerns of stakeholders over negative climate related feedbacks	As a supply chain technology platform and a Hong Kong-listed company that primarily serves SMEs in China and is committed to making finance more inclusive, failure to meet the requirements of supporting low-carbon development will have a long-term negative impact on SY's business reputation under the dual carbon targets in China	<ul style="list-style-type: none"> • Strictly control climate risks and carbon reduction management to prevent the occurrence of disasters • Actively conduct environmental protection propaganda to promote environmental protection philosophy to public, customers, staff and business partners



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- Identifying Opportunities Related to Climate Change

Opportunity type	Description of opportunities	Impact on the Company’s business model
Market opportunities	The financing needs of SMEs is gradually increasing, and green finance business will be more favored by the market	SY’s online business process can support SMEs to obtain financing easily under extreme weather conditions
Product and service opportunities	Under the favorable environment of the carbon neutrality policy, consumers’ preference for low-carbon products has increased, and green-related products and services are able to attract a greater number of customers	In response to the national “dual-carbon” strategic goal, we grant priority access to low-carbon projects; strengthen carbon reduction from our own operations: for example, continue to achieve 100% online processes through the use of the cloud platform to realize truly paperless operations

7.2.4. Metrics and Targets

In response to the national dual-carbon strategic goal, SY has assessed its situation and established management targets to address climate change, selecting appropriate metrics to accurately measure and continuously track the progress toward the targets. Adhering to a goal-oriented principle, we place great importance on the scientific management of various metrics, and make every effort to ensure that the metrics accurately reflect the dynamic progress toward target achievement. This provides solid support for the robust advancement of climate change response efforts, with the aim of contributing meaningfully to the achievement of the national “dual carbon” goals.

The Board of Directors of the Company has resolved to approve the Group’s carbon neutrality goal

- Releasing the carbon neutrality roadmap by 2030
- Achieving carbon neutrality by 2060

Indicator	Unit	2025	2024	2023
Scope 1: Greenhouse gas emissions from direct emission sources	tCO ₂ e	40.20	31.07	32.60
Scope 2: Greenhouse gas emissions from indirect emission sources	tCO ₂ e	326.50	254.46	357.02
Scope 3: Other indirect greenhouse gas emissions	tCO ₂ e	843.50	644.03	529.57
Total greenhouse gas emissions	tCO ₂ e	1,210.20	929.56	919.19
Greenhouse gas emissions per capita	tCO ₂ e/person	3.04	2.57	2.57
Greenhouse gas emissions per unit area	tCO ₂ e/square meter	0.22	0.20	0.16



7.3. Promoting Green Operation

SY strictly complies with the “Environmental Protection Law of the People’s Republic of China”, the “Energy Conservation Law of the People’s Republic of China” and other relevant laws and regulations, actively practices the concept of low-carbon operation, and explores and practices green and low-carbon operation models. SY fully implements lean management internally. By gradually setting and refining environmental management goals, planning implementation paths such as promoting the recycling of energy and resources and strengthening waste management, SY managed to achieve the harmony and unity of operation and environmental protection.

According to the ESG Management Policy of the Group, the key work directions of SY in environmental protection are as follows:

- Gradually set emission reduction and carbon reduction targets in accordance with regulatory requirements and guidelines to reduce greenhouse gas and exhaust emissions, energy consumption, water consumption, waste, etc. in daily operations
- Advocate energy conservation in daily operations, promote and adopt energy-saving technologies to reduce energy consumption; adopt the principles of reduce, reuse and recycle, and promote paperless operations through innovative technologies to reduce waste generation
- Adopt corresponding due diligence and business rules in the course of daily operation, support commercial activities that benefit to environment and drive accelerated transformation to low-carbon economy
- Monitor greenhouse gas and exhaust emissions, energy consumption, water consumption, waste, etc. in daily operations, continuously improve the environmental protection management mechanism, promote the implementation of environmental protection and energy conservation projects, and regularly evaluate the implementation results through key performance indicators and other monitoring mechanisms
- Carry out other work to promote the Company’s environmental protection operation

Emissions are not closely related to SY’s main business, and the waste and carbon emissions are mainly generated from daily office operations. In accordance with the ESG Management System, we have taken a series of measures to reduce and mitigate the environmental impact of our office activities.



- **Emission Control**

Implementation path

- Our Head Office in Shenzhen is located in Kerry Plaza T2, which has been awarded LEED-EBOM Platinum certification in 2015. There are only 3% of the LEED-certified projects in the world winning platinum-level honor, while Kerry Plaza is the first office project in Shenzhen being awarded this honor
- The East China headquarters, located at Financial 7th Street in Wuxi, strictly followed the highest international and domestic green building standards during its design and construction, and successfully obtained the Three-Star Green Building Design Label in China as well as the U.S. LEED v4 BD+C: CS Platinum pre-certification. Meanwhile, leftover building materials were creatively repurposed into souvenirs and presented to employees
- Air conditioning is only available during working hours: 08:00-19:00 on Monday to Friday; 08:00-14:00 on Saturday
- Hazardous wastes such as waste batteries, toner cartridges and electronic products are collected and processed by specialized agencies
- Gradually replace high-energy-consumption vehicles with new energy vehicles to reduce carbon emissions from operations
- Issue the "Advocacy Letter on Corporate Energy Saving and Consumption Reduction Activities"
- Advocate for green travel and recommend the use of public transportation and carpooling



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• Resource optimization

Implementation path	<ul style="list-style-type: none"> • Waste cartons and paper are collected and disposed of by cleaning companies • Used bottled drinking water is recycled by suppliers for recycling • Advocates the use of double-sided paper, double-sided printing as far as possible and the reuse of non-confidential single-sided documents as draft paper, bill sticking and internal data printing • There is no water pressure problem in the Company's operation site, and no problem in sourcing water from municipal utilities, barreled water and bottled water. In order to strengthen efforts in water saving, the Company controls the use of bottled drinking water. Internal staff will bring their own cups during the meeting, and no bottled mineral water will be provided. Leftover mineral water will be taken away for drinking during the external reception to avoid wastage • Control the use of tissue paper, keep statistics on the amount of paper towels used by each department, and encourage paper saving and reward departments with the lowest per employee use of paper towels to avoid paper waste • Encourage the use of electronic business cards in external communications
Achievements	<p>During the Reporting Period</p> <ul style="list-style-type: none"> • Water consumption per capita was 5.82 tonnes/person, representing a year-on-year decrease of 9.20% • 11,100 paper business cards were used, representing a year-on-year decrease of 32.73%



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- ### Environmental and Natural Resources Impact

SY integrates the concerns of the environment and natural resources into all aspects of the Company's operations. During office renovation, SY purchases energy-saving lamps and flame-retardant wires, wallpapers, wood boards and carpets that meet the requirements of environmental protection levels. Our office furniture procurement complies with national environmental standards. Green certified printing paper is used in daily office work to reduce the pollution of the Company's operations to the environment.

During the Reporting Period, we have implemented energy conservation and consumption reduction policies in our Shenzhen office, and have carried out evaluation activities for each department in terms of saving paper, electricity and water. Excellent departments that save energy and reduce consumption were rewarded with certain spiritual and material rewards.

7.4. Sharing Green and Low-carbon Life

SY adopts corresponding due diligence and business rules in the course of its daily operation and supports commercial activities that benefit to environment and drives accelerated transformation to low-carbon economy. It also attaches great importance to the involvement of the stakeholders in green and low-carbon aspects. Through organizing or participating in environmental protection public welfare and publicity and education activities from time to time, the Company actively conveys the concept of green and low-carbon life to the society.

Environmental key performance table

Indicator category	Key environmental performance indicator ¹	Unit	2025	2024	2023
Energy use	Total electricity consumption	MWh	572.47	417.08	585.19
	Gasoline consumption ²	MWh	125.28	124.47	130.34
	Total energy consumption	MWh	697.75	541.55	715.53
	Energy consumption per capita	MWh/person	1.8	1.50	2.00
	Energy consumption per unit area	MWh/square meter	0.13	0.12	0.12



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Indicator category	Key environmental performance indicator ¹	Unit	2025	2024	2023
Greenhouse gas emissions	Scope 1: Greenhouse gas emissions from direct emission sources ³	tCO ₂ e	40.20	31.07	32.60
	Scope 2: Greenhouse gas emissions from indirect emission sources ⁴	tCO ₂ e	326.50	254.46	357.02
	Scope 3: Other indirect greenhouse gas emissions ⁵	tCO ₂ e	843.50	644.03	529.57
	Total greenhouse gas emissions	tCO ₂ e	1,210.20	929.56	919.19
	Greenhouse gas emissions per capita	tCO ₂ e/person	3.04	2.57	2.57
	Greenhouse gas emissions per unit area	tCO ₂ e/square meter	0.22	0.20	0.16
	Water use	Municipal water supply consumption ⁶	Tonne	2,245	2,260
Drinking water consumption ⁷		Tonne	70.20	60.30	73.08
Total water consumption		Tonne	2,315.20	2,320.30	2,335.08
Water consumption per capita		Tonne/person	5.82	6.41	6.52
Exhaust emissions ⁸	Nitrogen oxide (NO _x) emissions	Kilogram	2.75	1.98	2.09
	Sulfur dioxide (SO ₂) emissions	Kilogram	0.21	0.36	0.42
	Particulate matter (PM) emissions	Kilogram	0.14	0.31	0.37
Waste management	Total amount of non-hazardous waste generated	Kilogram	6,500	6,500	6,580
	Amount of non-hazardous waste generated per capita	Kilogram/person	16.33	17.96	18.38
	Total amount of hazardous waste generated	Kilogram	10	10	10
	Amount of hazardous waste generated per capita	Kilogram/person	0.03	0.03	0.03
	Paper recycling volume	Kilogram	60.00	60.00	61.00
	Plastic bottle recycling volume	Kilogram	500.00	500.00	530.00
	Total amount of recycled waste	Kilogram	590.00	590.00	591.00
	Total amount of waste recycling per capita	Kilogram/person	1.48	1.63	1.65



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- 1 Environmental data for the year covers all of SY's workplaces in Chinese Mainland and Hong Kong, China.
- 2 Gasoline consumption is calculated based on relevant conversion coefficients provided in the Calculation Method and Reporting Guidance on Greenhouse Gas Emission by Overland Transportation Enterprises (Trial) issued by the National Development and Reform Commission of the PRC.
- 3 Scope 1 of the Group: Greenhouse gas emissions from direct sources are mainly generated from the consumption of petrol in the course of operation of official vehicles. The calculation is based on relevant emission factors provided in the Calculation Method and Reporting Guidance on Greenhouse Gas Emission by Overland Transportation Enterprises (Trial) issued by the National Development and Reform Commission of the PRC.
- 4 Scope 2 of the Group: Greenhouse gas emissions from indirect sources are mainly generated from the consumption of purchased electricity. The calculation is based on relevant emission factors provided in the 2018 Carbon Emission Supplementary Data Accounting Report Template attached in the Notice on the Preparation of 2018 Annual Carbon Emission Report and Verification and Emission Monitoring Plan published by the National Development and Reform Commission of the PRC.
- 5 Scope 3 of the Group: Other indirect GHG emissions are mainly indirectly generated by employees traveling by air and commuting by transportation. The calculation results are based on the relevant emission factors provided in the Calculation Method and Reporting Guidance on Greenhouse Gas Emission by Overland Transportation Enterprises (Trial) and the 2018 Carbon Emission Supplementary Data Accounting Report Template attached in the Notice on the Preparation of 2018 Annual Carbon Emission Report and Verification and Emission Monitoring Plan published by the National Development and Reform Commission of the PRC.
- 6 The Company's office and operation premises are all part of the office areas in leased commercial buildings, and municipal water consumption is managed by the property management companies in a unified manner and is estimated at 0.5 tonne per employee per month.
- 7 Drinking water consumption includes barreled water and bottled water consumption.
- 8 Emissions of NO_x, SO₂ and PM are generated from the use of the Group's business vehicles, and the emissions are calculated based on the relevant emission factors provided in the Technical Guide for the Preparation of Pollutant Emission Inventory for Road Vehicles (Trial) issued by the Ministry of Ecology and Environment of the People's Republic of China.



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8. REWARDING THE TRUST OF ALL PARTIES WITH RESPONSIBLE OPERATION

SY, driven by a strong sense of responsibility and mission, deeply aware that it carries the significant trust from customers, partners and all sectors of society. We value providing an exceptional customer experience, respect the value of knowledge, safeguard data security and strictly protect customer privacy, integrating responsibility into every aspect of our business operations, and giving back to all parties' trust through tangible actions.

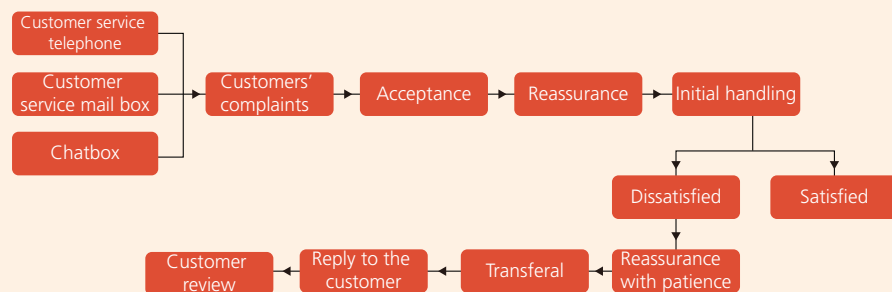
8.1. Optimizing Customer Experience

With the mission and vision of "Empowering Chinese SMEs to reshape the global supply chain", SY incorporates "continuously exceeding customer expectations" into its corporate values, continuously enhancing the product quality and service capabilities of its industrial internet and digital finance sectors. It implements responsible marketing concepts and actively builds diversified communication channels to gather customer feedback, committed to creating more value for its customers.

8.1.1. Keeping communication channels open

- *Implementing complaint handling*

SY is committed to being customer-centric, values customer feedback, and has established the "Anti-Corruption and Whistleblowing Policy of SY Holdings Group Limited", "Customer Service Manual of SY Holdings Group Limited", "Customer Complaint Response Mechanism", and "400 Customer Service Hotline Management Mechanism", among other policies, to strictly implement the complaint handling mechanism. It provides customer feedback channels such as customer service email, complaint reporting email and complaint reporting phone number on its official website and WeChat public account. In addition, customers can also file complaints regarding business processes through various channels including the SY Cloud Platform customer, corporate WeChat groups, 400 service hotline, online customer service, customer relationship service surveys and monthly post-loan customer follow-ups. In addition to obtaining customer complaints through the above six channels, SY also proactively monitors sensitive keywords to identify customers who may have complaints, intervening in a timely manner to understand the situation and ensure that customer issues are resolved promptly and reasonably. During the Reporting Period, SY re-optimized and released the "400 Customer Service Hotline Management Mechanism", further clarifying work specifications, call-handling standards, and scheduling mechanisms, thereby improving the efficiency and accuracy of responses to customer calls.



Customer Complaint Handling Process



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SY encourages customers to provide feedback on their dissatisfaction. During the Reporting Period, we received a total of 56 complaints, promptly addressed all customer complaints, achieving a handling rate of 100%, and completed follow-up visits on the same day as the complaints. For matters that indeed require optimization, a special team was arranged to follow up and resolve them.

Type of Complaint	Measures for Handling
Numerous requirements for information	After receiving customer requests, we continuously provided feedback on customer pain points to the relevant departments, promoting the simplification of document requirements, such as the requirements for invoice stamps, non-color scanned copies of invoices, and original electronic invoices
Poor system experience	Based on the customer perspective, we continuously summarized and optimized suggestions for system operation pages where customers frequently have questions, promoting system optimization and transformation, such as collaborating to launch the WeChat mini-program
Long waiting time	We integrated the concept of timely efficiency across all relevant business departments, enhancing individual processing efficiency while strengthening collaboration among employees from a management perspective, thereby promoting a reduction in overall loan disbursement time

- *Improving the customer review system*

Customer feedback serves as a vital channel for the Company and its employees to understand user needs and improve products. In order to strengthen problem traceability and rectification, and to enhance customer satisfaction with the use of the Company's products, we have formulated the "Customer Review Management System of the Platform Operation Department of SY Holdings Group Limited" to conduct regular follow-ups with customers based on their actual cooperation, which mainly focus on the service experience, areas for improvement in service and business, customer business needs, and satisfaction with the service team. The findings are then compiled into a "Customer Review Report", enabling internal management to enhance efficiency, monitor performance, and make appropriate decisions based on new customer needs.



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- *Formulating customer review strategies*

SY adopts different customer review strategies for lost customers and customers in transit based on their transaction activities and whether they have added new balances within a 90-day period.

Customer Type	Review Strategy
Lost customers	Focus on service experience, reasons for loss, financing needs, and the business progress of customers, conducting in-depth analysis and optimization based on the issues raised, and suitable follow-up according to the cooperation intentions
New customers, existing customers	Collect feedback on service experience, suggestions for service personnel and platform improvements through the "SY Service Personnel Questionnaire" on a monthly basis
Customers experiencing delays in loan disbursements	Conduct weekly phone follow-ups to collect, consolidate and track customers' difficulties and concerns

For different categories of customers, SY selects appropriate follow-up methods to collect and summarize customer needs, ensuring that issues raised by the customers are tracked and resolved. Going forward, we will strengthen the application of follow-up results to further improve and ensure service quality.

During the Reporting Period:

- The number of customer complaints is 56, and the customer complaint handling rate is 100%
- Customer satisfaction is 97%



8.1.2. Enhancing professional capabilities

SY continues to improve its real-time service system, regularly conducts special training for customer service, promotes the customer service team to develop empathy and adaptability, enhances the professional capabilities of the customer service team, so as to provide high-quality consultation and guidance services to customers.

- *Improving the real-time service system*

In the face of handling complaint incidents, the Customer Service Department will not request or imply the customers to withdraw their complaints in any way. They need to address customers' dissatisfaction promptly, sincerely and appropriately, while also paying attention to the emotional state of the customers, and strive to resolve customer issues in accordance with the correct operational procedures. For customer complaints, it is required to take immediate action within 5 minutes of receiving the complaint to prevent the customer from becoming more upset due to a lack of response. For work orders that cannot be immediately solved, they are logged in accordance with the "Work Order Process Management Measures" and responded to after verification.

- *Organizing customer service special training*

Customer service training mainly focuses on industry explanation and strategic direction, and business practice. In terms of industry explanation and strategic direction, basic courses are offered on topics such as supply chain finance, operational risk awareness and basic factoring knowledge. In terms of business practice, we offer professional knowledge courses such as the explanation of the whole business process, common procedures for account opening and engaging with funding sources, daily post-loan follow-up matters, and an introduction to the pharmaceutical and medical industry background.

During the Reporting Period:

- Conducted a 2-day offline centralized training, covering topics such as "Collection Case Sharing", "Sharing of the Risk Control Department's Disclaimer Management Regulations", "Sharing of the Full-process Review of Certain Categories in the Infrastructure & Pharmaceuticals Sectors" and "Training on Credit Reporting Data Submission Standards"



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8.1.3. Implementing responsible marketing

SY strictly complies with the “Civil Code of the People’s Republic of China”, the “Advertising Law of the People’s Republic of China”, the “Cybersecurity Law of the People’s Republic of China”, the “Data Security Law of the People’s Republic of China”, the “Personal Information Protection Law of the People’s Republic of China”, the “Notice of the General Office of China Banking and Insurance Regulatory Commission on Strengthening Supervision and Administration of Commercial Factoring Enterprises (《中國銀保監會辦公廳關於加強商業保理企業監督管理的通知》)” (Document No. 205), and the “Interim Measures for the Supervision and Administration of Tianjin Commercial Factoring Companies (《天津市商業保理公司監督管理暫行辦法》)”, among other regulations. It is committed to establishing a comprehensive system of marketing behavior regulations, strictly reviewing the content of product-related promotion plans and service material copy, and clarifying the review process for marketing promotional materials and the penalties for violations. At the same time, it conducted specialized training on responsible marketing to avoid non-compliant marketing behaviors such as false and exaggerated promotions, ensuring the compliance of promotional materials and formats.

- *Product marketing management*

In order to ensure the provision of responsible products and services to customers, the Company has established five marketing principles and implemented a series of measures to guarantee that the marketing process is fair, impartial and reasonable, thereby protecting the legitimate rights and interests of customers.

Principle	Measures
Transparent product information	<ul style="list-style-type: none"> • The business agreement and line of credit consent form signed with the customer contains clear information on the maximum amount and term, scope of services, interest rate and service fee cap, etc. • Sending monthly statements to customers and providing a dispute verification process • The entire process of customer access, business application and approval (including overall credit limit, individual business quotation and adjustment, capital matching and lending) is carried out on the SY Cloud Platform, and customers can check business records and details through the Cloud Platform



Principle	Measures
Preventing excessive debt, assisting rational borrowing	<ul style="list-style-type: none"> <li data-bbox="719 394 1441 728">• Supply chain finance refers to the process by which participants in the supply chain ecosystem transfer their accounts receivable based on real transactions to companies providing supply chain services in order to obtain financing services. Therefore, from a business logic perspective, we are not providing leveraged credit financing to SME customers, but rather, based on our understanding of the industry and supply chain, we help them convert their illiquid receivables into funds to achieve working capital turnover, thereby avoiding the crowding out of their already insufficient own funds due to a large amount of receivables <li data-bbox="719 756 1441 1548">• At pre-loan period, we will implement a two-tier limit on the buyer's credit line and the underlying transaction's credit line, and provide supply chain financial services to the customer (i.e. the seller) within the limit based on a certain percentage (not exceeding 100%) of the receivables arising from the underlying transactions between the buyer and the seller, so as to prevent the customer from over indebtedness; among which: <ul style="list-style-type: none"> <li data-bbox="799 1019 1441 1289">(1) The buyer's credit line means the maximum exposure granted by the Company to a specific core buyer, the aggregate of the credit line of all sellers of that core buyer as debtors of receivables shall not exceed that buyer's credit line, and the proportion of the credit amount of a single customer to the credit line of a single buyer shall not exceed 50% in accordance with the requirements of Document No. 205; <li data-bbox="799 1317 1441 1548">(2) The underlying transaction's credit line means the actual credit line granted to the customer and its affiliates in respect of the accounts receivable arising from actual transactions with core enterprises, it therefore meets the customer's actual need for advance payment of funds. The actual amount utilised is determined through consultation between SY and the customer. <li data-bbox="719 1576 1441 1944">• After the loan period, we will continue to monitor and manage our risk assets, using multi-dimensional data to conduct comprehensive and timely tracking and inspection, and monitor changes in our customers' creditworthiness, operating efficiency and the quality of their underlying assets, so as to achieve the objectives of risk alert, risk mitigation, risk prevention and improving the quality and efficiency of supply chain assets. In the event of adverse changes in the customer's financial capacity or trading conditions, measures such as downgrading the customer's rating and suspending new business will be taken to avoid excessive borrowing by the customer



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Principle	Measures
Treating customers fairly and respectfully	<ul style="list-style-type: none"> <li data-bbox="719 394 1445 590">• Uniform internal risk control and operational management rules apply to the pre-loan, loaning and post-loan management of all customers, and there will be no price discrimination or differential treatment of specific customers or groups, except for different offers and processes resulting from different risk prices and ratings based on the output of such rules <li data-bbox="719 620 1445 784">• Customers may report to the Company any misconduct that has occurred or may occur involving a member of SY staff, including soliciting bribes from customers, misappropriation, embezzlement, misappropriation or theft of customers' funds or property, according to the "Anti-Corruption and Whistleblowing Policy" <li data-bbox="719 814 1445 978">• Implementing customer review according to the "Customer Review Management System of Platform Operation Department" to understand customers' experience of using SY products, eliminate customer objections, resolve customer complaints and extend service programs <li data-bbox="719 1009 1445 1131">• The Company's values include "continuously exceeding customer expectations", and the "Code of Conduct for the Employee of the Platform Marketing Department" clearly stipulates the points to note when communicating with customers



Principle	Measures
Appropriate product design and delivery	<ul style="list-style-type: none"> <li data-bbox="719 394 1441 556">• In accordance with the “Requirements Management System”, the product manager will regularly communicate with the Business Department to understand the customers’ requirements for the SY Cloud Platform in a timely manner, and to prioritize and resolve system requirements that affect the customers’ experience <li data-bbox="719 584 1441 745">• According to the “Platform Operations Department Service Quality Inspection System (Trial)”, the Operations Department conducts periodic inspections of business effectiveness and the quality of customer relationship services to ensure that the services and products provided meet customers’ needs <li data-bbox="719 774 1441 972">• At the same time, the Company also pays attention to customer feedback. Through the optimization of system functions and work mechanisms, it encourages customers to provide unsatisfactory feedback and will respond within 24 hours. For matters that indeed require optimization, the Company will arrange a special team to follow up with dedicated personnel
Reasonable pricing	<ul style="list-style-type: none"> <li data-bbox="719 1021 1441 1218">• Uniform internal risk control and operational management rules apply to the pre-loan, loaning and post-loan management of all customers, and there will be no price discrimination or differential treatment of specific customers or groups, except for different offers and processes resulting from different risk prices and ratings based on the output of such rules



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- *Refined department management*

SY adheres to systematic thinking and focuses on building a comprehensive and multi-level coordinated marketing standard mechanism to promote efficient collaboration among all levels and lines. At the management level, the Company's management places great importance on matters related to customer rights and interests, regularly receiving detailed reports including the progress of marketing activities. By closely monitoring the dynamics of various tasks and strictly supervising the relevant departments, we ensure that marketing activities are carried out in an orderly manner within a fair and compliant framework, safeguarding the Company's market reputation and customer rights. At the business level, key departments such as the Platform Marketing Department and the Strategic Development Department are further strengthening the management of product service reviews around products and services. On the other hand, by optimizing the review process, they ensure that products and services meet market demands and align with the Company's strategic direction; on the other hand, they enhance the professional competence of marketing personnel, enabling them to accurately grasp market dynamics and provide high-quality, professional services to customers, thereby supporting the sustained and healthy development of the Company's business.

During the Reporting Period, we did not identify any violations related to products, services, information, or labeling, nor did any incidents occur that violated marketing and advertising regulations.

- | | |
|---------------------------------|---|
| Corporate Governance Department | <ul style="list-style-type: none"> • Reports to the Audit Committee on the implementation and effectiveness of product operation management, as well as matters related to anti-corruption and whistleblowing |
| Platform Marketing Department | <ul style="list-style-type: none"> • Implements the Company's risk management requirements, establishes an awareness of proactive risk management, and act as the first gatekeeper of risk control. Any arbitrary promises made to customers or acts beyond authority will be investigated and punished in accordance with the "Employee Manual of SY Holdings Group Limited" and the "Anti-Corruption and Whistleblowing Policy of SY Holdings Group Limited" • Standardizes the business conduct and work ethics of the employee and specifies guidelines for communication with customers in accordance with the "Code of Conduct for the Employee of the Platform Marketing Department". Employees are prohibited from soliciting or accepting improper benefits, and are required to comply with rules and regulations in the course of business negotiations, and engaging in fraud, deception and corruption and related events are strictly prohibited, as well as disclosing trade secrets and customer secrets, and eliminating undisclosed and unapproved connected transactions and conflicts of interest matters, etc. |



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- Strategic Development Department
 - The Brand PR Function Group under the Strategic Development Department is responsible for supporting the promotional and marketing activities and materials of the business units, and its external output materials are subject to review and approval by relevant departments such as the Legal Affairs Department, the Finance Department and Governance Department before release

- *Employee empowerment management*

In order to fully implement the concept of responsible marketing, we continuously strengthened the training and learning of employees' awareness of responsible marketing. During the Reporting Period, we organized multiple training sessions specifically focused on the theme of responsible marketing for the marketing department, systematically enhancing the awareness of responsible marketing among marketing personnel and continuously reinforcing the service value proposition of "customer-centric".

During the Reporting Period:

- 12 sessions of sales case sharing training, with a total of 720 participants
- 12 sessions of business and product introduction training, with a total of 720 participants
- 10 sessions of sales skills sharing training, with a total of 600 participants

8.1.4. Providing responsible products

SY is committed to enhancing product quality by ensuring product compliance and continuously optimizing products, helping small and medium enterprises ("SMEs") reduce financing costs and loan risks, and increasing financial support for the real economy.

- *Ensuring product legality and compliance*

SY is committed to being responsible to its shareholders and customers, strictly adhering to the requirements of the "Civil Code of the People's Republic of China", the "Cybersecurity Law of the People's Republic of China", the "Personal Information Protection Law of the People's Republic of China", the "Notice of the General Office of China Banking and Insurance Regulatory Commission on Strengthening Supervision and Administration of Commercial Factoring Enterprises (《中國銀保監會辦公廳關於加強商業保理企業監督管理的通知》)" (Document No. 205), the "Interim Measures for the Supervision and Administration of Tianjin Commercial Factoring Companies (《天津市商業保理公司監督管理暫行辦法》)" and other laws and regulations, ensuring that products are legal and compliant, and establishing effective preventive measures against product compliance risks to fundamentally prevent illegal and non-compliant behaviors.



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- *Clarifying product optimization priorities*

SY identifies ESG risks related to products and avoids operational risks concerning product information security in accordance with the Company's policies and regulations related to products and customer services, such as "Risk Evaluation Management System of SY Holdings Group Limited", "Anti-Corruption Management and Whistleblowing Policy of SY Holdings Group Limited", "Customer Service Manual of SY Holdings Group Limited", and "Customer Review Management Policy of the Platform Operations Department of SY Holdings Group Limited". The product manager regularly communicates with the business department to understand customer needs in a timely manner and prioritizes system requirements that affect customer experience. The operations department conducts periodic inspections of business effectiveness and the quality of customer relationship services to ensure that the services and products provided meet customer needs. In addition, we continuously optimize the product operation interface to enhance the functionality and user experience of the product.

8.2. Protecting Intellectual Property

SY strictly complies with the "Trademark Law of the People's Republic of China", the "Patent Law of the People's Republic of China", the "Copyright Law of the People's Republic of China", and the "Regulations on the Protection of Computer Software of the People's Republic of China". It focuses on technological innovation and the construction of the intellectual property system, encourages research and development innovation, increases investment incentives for intellectual property, protects and leverages its independent intellectual property advantages, continuously improves the quality of intellectual property, strengthens intellectual property operations, and promotes the organic integration of technological research and development with intellectual property management. During the Reporting Period, SY did not experience any incidents of intellectual property infringement.

SY has strengthened the source protection of intellectual property and established a rigorous and comprehensive intellectual property protection system that covers all aspects of safeguarding key links such as technology research and development and innovation achievements. While strengthening source protection, SY fully recognized the importance of intellectual property conversion in realizing its economic and social value, actively promoting the effectiveness of intellectual property conversion. During the Reporting Period, SY added 17 computer software copyright registrations and 3 newly authorized invention patents.

During the Reporting Period:

- Obtained 17 new software copyright
- Granted 3 new invention patents



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Case: SY Technology was awarded additional national invention patent certificate, injecting innovative momentum into industry development

On 8 December 2025, the invention patent “A method and system for personalized contract risk determination based on a decision engine (一種基於決策引擎的個性化判斷合同風險的方法及系統)”, developed by Sheng Ye Information Technology Service (Shenzhen) Co., Limited (hereinafter referred to as “**SY Technology**”), a wholly-owned subsidiary of the Company, was officially granted by the China National Intellectual Property Administration. The patent provides an intelligent risk identification solution tailored for standard contracts in international financial derivatives trading. It features automated analysis of semantic differences in contractual clauses, dynamic risk assessment integrated with market data, and the conversion of specialized legal clauses into easy-to-understand interactive reports, significantly enhancing the automation and intelligence of contract risk assessment. The granting of this patent further reinforces SY’s technical barriers in the fields of artificial intelligence and risk management, injecting innovative momentum into the compliant operations and efficiency upgrades of the supply chain finance industry.

- **Safeguarding external product rights**

SY has formulated the “Information Security Code of Conduct for Employees of SY Holdings Group Limited”, which requires employees not to use unauthorized commercial software during their daily work and to respect the intellectual property rights of all commercial software companies; it has also established the “IT Asset Management Code of SY Holdings Group Limited” and embedded intellectual property protection requirements into internal policy documents such as the “Employee Manual of SY Holdings Group Limited” and the “Confidentiality Agreement of SY Holdings Group Limited” for the reasonable use and management of commercial software licenses.

8.3. Attaching Importance to Data Security

SY complies with the “Civil Code of the People’s Republic of China”, the “Personal Information Protection Law of the People’s Republic of China”, the “Cybersecurity Law of the People’s Republic of China”, the “Data Security Law of the People’s Republic of China”, the “Cryptography Law of the People’s Republic of China”, and the “Measures for Security Protection of Information Systems of the People’s Republic of China” and other laws and regulations, strictly protecting data security in terms of data collection, data usage, data sharing, data security policies, user rights and cross-border transmission. SY has established a data security system for the Group, creating a professional and comprehensive data security working group from the top down, and has formulated more than ten detailed and comprehensive internal information security policies, effectively enhancing the level of data security management and reducing the risk of information leakage. During the Reporting Period, SY did not experience any data security incidents.



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8.3.1. Data security system

SY continuously optimizes the data security management system and has established a data security working group to provide solid protection for the company's information security.

Data Security Working

Group Structure	Responsibilities
Information Management Committee (Decision-Making Level)	Determine the Company's information technology strategy, information security strategy, and data strategic goals in accordance with its strategic objectives; consider and authorize information security personnel to conduct regular or temporary emergency security audits on the Company's staff and IT assets in line with the needs of information security management, etc.
Information Security Group (Management Level)	According to the decision of the Information Management Committee, decompose the overall policy objectives and allocate specific tasks
Information Security Engineer (Execution Level)	Perform tasks assigned by the Information Security Group to complete security tasks

In order to ensure that the data security system complies with regulatory requirements, SY continuously formulates and improves various data security-related systems, including the "Employee Manual of SY Holdings Group Limited", the "Internal Management Measures for Corporate Credit Investigation System of SY Holdings Group Limited", the "Information Security Code of Conduct for Employees of SY Holdings Group Limited", the "Data Security Management System of SY Holdings Group Limited" and the "Personal Information Protection Management System of SY Holdings Group Limited". This comprehensively standardizes the Group's data security management work, enhances the level of data security protection within the Group, and requires the technology research and development team and the data security working group to promote data security management work according to their responsibilities and divisions.

In response to extreme conditions and unforeseen circumstances, SY has developed the "Application System Backup and Recovery Management System of SY Holdings Group Limited" emergency plan document, which establishes a data backup system to back up customer data, ensuring the recoverability of customer data in the event of a disaster and guaranteeing the security of business data; it has also formulated the "Vulnerability Management System" to regulate the management of the vulnerability lifecycle and supervise the vulnerability remediation process.



8.3.2. Data security protection

SY has formulated and strictly implemented proactive prevention and reactive response measures for data security incidents, continuously deepening data security management from multiple dimensions, including website encryption and protection, access and permission management, data security awareness, external audits and certifications, and risk assessments.

Main Aspects	Specific Measures
Website Encryption and Protection	<ul style="list-style-type: none"> Follow the principle of safety development, all websites are served using encrypted HTTPS to prevent the transmission of information leakage Protect the enterprise's internal network security, terminal security and application system security by building anti-virus systems, terminal security management systems, network firewalls, application firewalls, honeypots, network probes, vulnerability management platforms, various scanners, automated scanning, and network access security technology platforms Establish host anti-intrusion system and email anti-virus system
Access and Permission Management	<ul style="list-style-type: none"> Optimize the corporate network structure, establish a network access policy and conduct regular audits Establish a database audit system and integrate it with the database access rights process to ensure compliance of data access through audits Establish a host access management system and integrate it with auditing to ensure server access control Optimize the application system access management process and configuration, and integrate auditing to ensure compliance of access allocation Strictly ensure that personal data transfer can only be conducted after verification by the customer themselves



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Main Aspects	Specific Measures
Data Security Awareness	<ul style="list-style-type: none"> Conducted 11 sessions of online monthly information security theme training, with 4,657 participants. Review and assessment were conducted after the specialized training. Conduct phishing drills for all employees on a monthly basis, provide enhanced training for affected employees, and compile an annual information security work report
External Audit and Certification	<ul style="list-style-type: none"> Obtained the Level 3 certification of the National Information Security Level Protection Certification and the ISO/IEC 27001 International Information Security Management System Certification awarded by the authoritative body CEPREI
Risk Assessment	<ul style="list-style-type: none"> Establish a Security Operations Center (SOC) platform to enhance log monitoring, correlation analysis, and introduce AI for noise reduction and assessment of alerts Conduct risk assessments on the overall network, equipment, systems and other information infrastructure of the Group irregularly to identify and address residual risks in a timely manner

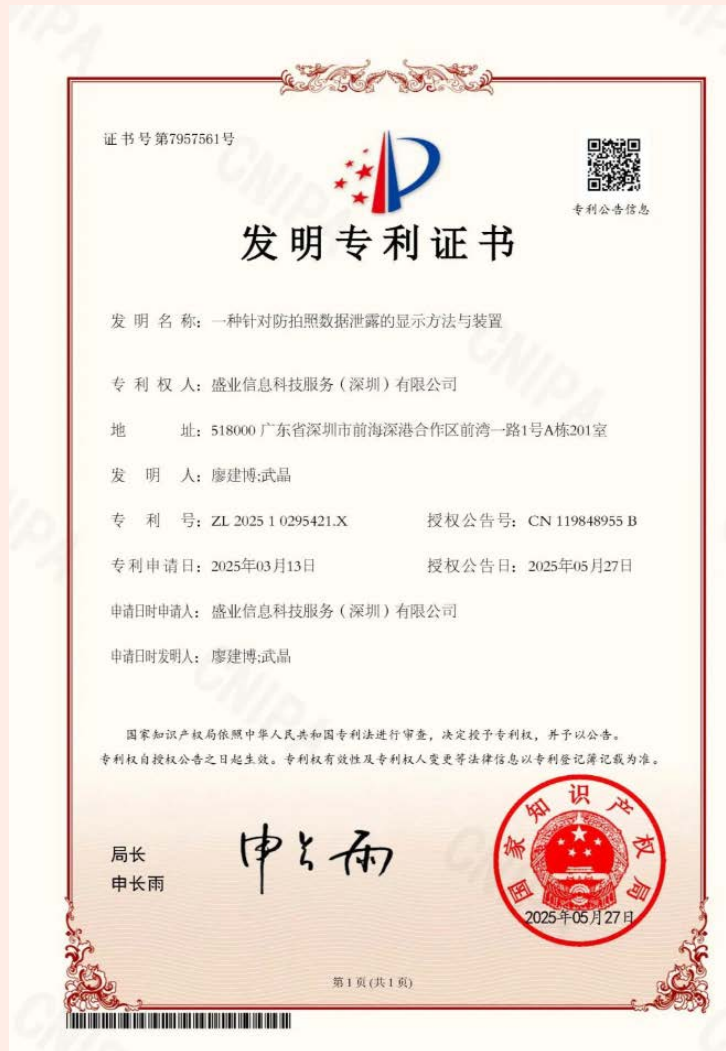
During the Reporting Period:

- Internal IT security audit frequency 4 times per year
- Auditing of Level 3 certification system of external level protection 1 time per year
- Held a total of 11 information security training sessions, with 4,657 participants
- 0 data security complaints



Case: SY Technology was awarded additional national invention patent certificate, strengthening data security protection

On 27 June 2025, "A display method and device for preventing photographing data leakage (一种针对防拍照数据泄露的显示方法与装置)", an invention patent independently developed by SY Technology, was officially granted by the China National Intellectual Property Administration. The patent addresses the prevalent data leakage risk of sensitive information being compromised via photography. By introducing an innovative display methodology and devices, the patent significantly increases the difficulty of capturing clear and complete data through photography, and enables the tracing of the time and location of a leakage based on the photograph after an incident occurs. The granting of this patent establishes a robust "data security barrier" for SY's information security, effectively mitigating the risks of data leakage via photography and ensuring the security and stability of its information assets. It marks a new level of advancement in the Company's technical capabilities within the field of data security protection.



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8.4. Protecting Customer Privacy

As a supply chain fintech platform, SY conducts standardized privacy protection work across all business lines in accordance with its stringent internal privacy protection policies. SY has established a workflow for the protection of customer information privacy, requiring all employees to sign a confidentiality agreement upon employment; it has implemented regular monitoring of employee data transmission to effectively ensure the safety of customer privacy. In addition, we have established an application process that covers the entire lifecycle of data permissions, including account creation, role application, permission addition, permission reduction, and account termination, etc., to facilitate reasonable control of customers over their personal information utilization level.

At the same time, SY employs advanced encryption technology to ensure the security of customer information during storage and transmission, utilizes artificial intelligence and machine learning to automate the implementation of privacy protection strategies, and continuously explores ways to maintain system functionality and user experience while protecting privacy.

SY has obtained the ISO/IEC 27701 Privacy Information Management System Certification, serving as an extension of the ISO 27001 management system to effectively safeguard the Company's information privacy protection capabilities.

During the Reporting Period:

- 0 complaints regarding privacy security
- 0 customer privacy security incidents



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9. ATTACHING IMPORTANCE TO ECOLOGICAL BUSINESS ETHICS

Anti-fraud and business ethics are not only the baseline requirement for the Company's compliance operations but also a long-term capital that drives the Company's high-quality development. SY consistently maintains a high standard of business integrity, relying on the Company's comprehensive governance system to establish a multi-dimensional supervision mechanism. In its business activities, it adheres to the code of ethics of fairness, trust and openness, aiming to build a sustainable ecosystem that is transparent, fair and clean.

9.1. SY Anti-Fraud Management Framework

Board of Directors	<ul style="list-style-type: none"> • Assume responsibility for the effectiveness of anti-fraud management • Urge the management to establish a company-wide anti-fraud cultural environment and to develop and improve internal controls that include the prevention of corruption risks • Regularly review and assess the management's anti-fraud reports and anti-fraud mechanisms
Corporate Governance Department	<ul style="list-style-type: none"> • Representing the management, establish, improve and effectively implement internal controls to prevent, detect, correct and address fraudulent activities • Carry out anti-fraud related publicity and education activities • Accept internal and external fraud reports, conduct investigations, report findings and propose handling suggestions

9.2. Adhering to Business Ethics

SY complies with laws and regulations such as the "Criminal Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's Republic of China", the "Provisions on Anti-Money Laundering of Financial Institutions" and the "Prevention of Bribery Ordinance of Hong Kong". In line with its business characteristics, it established a strict system of business ethics, formed an anti-money laundering working group, strengthened internal integrity and honesty awareness through regular publicity and training on business ethics, and set up multiple channels for reporting, ensuring that potential violations of business ethics have nowhere to hide, thereby reducing operational risks.

During the Reporting Period, SY has not been the subject of any litigation arising from violations of anti-corruption, anti-bribery, anti-money laundering, anti-fraud and other laws and regulations in the places in which we operate.



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9.2.1. Building a strong ethical bottom line

SY has established the “Anti-Corruption and Whistleblowing Policy of SY Holdings Group Limited” and the “Employee Manual of SY Holdings Group Limited” to create an internal control mechanism regarding business ethics, clearly defining the types of corrupt behavior, the channels for receiving complaints and whistleblowing, and the handling mechanisms. Additionally, it imposes detailed constraints from various aspects such as employees’ daily conduct standards and professional ethics standards, guiding employees to uphold the bottom line of business ethics in their work.

The Corporate Governance Department reviews and evaluates the anti-corruption mechanism annually, and based on the audit results, relevant circumstances of complaints and reports and investigation results, submits a report to the Board of Directors on the implementation of the Company’s anti-corruption mechanism each year. During the Reporting Period, SY conducted a special internal audit on anti-corruption across the entire company. The audit found that the Company’s business ethics risk prevention mechanism continued to operate effectively, and no incidents related to business ethics occurred.

9.2.2. Promoting a culture of integrity

In order to cultivate an atmosphere of integrity and honesty within the Company, SY conducted multiple business ethics training sessions and compliance warning education throughout the year, with business ethics standards training covering all employees. The Corporate Governance Department has established centralized promotion and collective learning channels for training, including lectures on anti-corruption and whistle-blowing policies, to ensure that the employees are aware of the consequences associated with corruption and violations of business ethics, and enhance their anti-corruption mindset and skills.

During the Reporting Period:

- Coverage rate of business ethics standards training for employees 100%
- Coverage rate of business ethics standards training for directors 100%
- Coverage rate of business ethics standards training for management 100%
- 3 sessions of anti-corruption and integrity training for employees, with a cumulative total of 881 participants
- 3 sessions of anti-corruption and integrity training for Directors, with a cumulative total of 11 participants
- Conducted 3 special internal audits on anti-corruption



9.2.3. Strengthening whistleblower protection

SY has established multiple channels for reporting, both real-name and anonymous, encouraging employees to report illegal events or misconduct. If any issues or fraudulent activities are discovered, reports can be made in accordance with the “Anti-Corruption and Whistleblowing Policy of SY Holdings Group Limited”. For reported violations that are confirmed to be true after investigation, we will provide the whistleblower with corresponding rewards in accordance with the policy. At the same time, it is clear that the legal rights and interests of whistleblowers shall be protected, ensuring that their personal information and reporting materials are not leaked. Direct stakeholders are required to avoid involvement, and employees are strictly prohibited from leaking anonymous reporting information, tipping off the reported individuals, or retaliating against whistleblowers.

- *Whistleblowing channel*

Multiple whistleblowing channels are available: in-person communication, dedicated mailbox, dedicated hotline, OA and WeCom. Flexible methods: both real-name and anonymous reporting are supported. The Company will maintain strict confidentiality and handle such matters with the utmost care.

1. Reporting in person: Report to the direct supervisor or the executive in charge, or complain to the Human Resources Department, or submit materials to the Corporate Governance Department
2. Complaint reporting mailbox: Audit_Committee@syholdings.com
Email of external director: ivan.lo@syholdings.com
3. Governance Department Tel: 0755-6188-0088-866/191-2931-0963
4. OA/WeCom Workbench: Click “Submit a Complaint or Report” to fill in and submit directly to the Governance Department
5. Complaint reporting letter: Corporate Governance Department, 47th Floor, Dabaihui Plaza, No. 3086, Jintian Road, Futian District, Shenzhen



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- *Reporting process*

- | | |
|---------------|---|
| Acceptance | <ul style="list-style-type: none"> • Judgement is based on the objectivity and authenticity of the reported materials, and whether the reported matters involve repeated reporting or reporting that has been handled, the acceptance result will be notified to the whistleblower within 3 working days after reaching an internal consensus on the acceptance result |
| Investigation | <ul style="list-style-type: none"> • Establish an investigation group, which may arrange for the relevant staff or other departments to participate in the investigation according to the nature, severity and scope of the matters complained and reported about, and may also seek assistance from external institutions such as law firms and accounting firms whenever necessary • Investigations of routine reports should be completed within 15 working days after the date the report is accepted. If the case is complex or involves other special circumstances, a written application for extension may be made based on the actual situation • Subsequent to the completion of an investigation, an investigation report should be prepared. The Report should include basic information of the reported matter, an explanation of the investigation procedure, the determination of the nature of the reported matter, as well as suggestions for handling and rectification. The Report should be submitted to the Chairman for approval |
| Handling | <ul style="list-style-type: none"> • Subsequent to the approval of the investigation report, the investigation group should ensure the communication and follow-up with the whistleblower, such as accountability of the related parties, conflict mediation, giving reply to the whistleblower, notifying the investigation and handling results, as well as internal rectification |
| Objection | <ul style="list-style-type: none"> • In case of the whistleblower is still not satisfied with the result, he or she can make an objection to the investigation group |



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Reward and punishment and anonymous protection	<ul style="list-style-type: none"> • Reward for verified complaint and reporting will be given according to the severity of the incident or the importance of the leads provided • Punishment in varying degrees will be imposed for malicious falsehood, leak of the whistleblower identity, obstruction of the investigation on reported incident or retaliation against the whistleblower
Regular review and reporting	<ul style="list-style-type: none"> • Conduct an annual review and examination of the anti-corruption mechanism • Report annually to the Audit Committee and the Board on the management of reporting during the period, and share the key contents within the Company on a regular basis

9.3. Protecting Investors' Rights and Interests

SY complies with the regulatory requirements such as the Listing Rules and fully fulfills its information disclosure obligations as a listed company, ensuring that connected transactions are fair and reasonable, thereby safeguarding the rights and interests of shareholders and investors.

- **Enriching communication channels**

SY comprehensively utilizes online and offline roadshows, as well as participating in broker strategy meetings and forums and summits organized by other third parties, to maintain close communication with the market. The Company holds annual and interim performance briefings publicly through video live streaming, provides the latest company information to investors via announcements on the Company's official website, roadshows, and other promotional methods, and offers multiple channels for investor feedback such as phone and email, facilitating communication for shareholders and investors.



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- **Establishing effective connections**

SY provides channels for public information enquiries to fully listen to the opinions of shareholders and investors, aiming to align the interests of the Company's management, initiating shareholders and market shareholders, and striving to maximize the interests of stakeholders.

Shareholders' enquiries	Investor enquiries
<p>Any enquiries related to the shareholding, including transfer of shares, change of address, loss of share certificates and dividend warrants, should be sent in writing to the following address:</p> <p>Tricor Investor Services Limited</p> <p>Address: 17/F, Far East Finance Center, 16 Harcourt Road, Hong Kong</p> <p>Tel: 852-2980-1333</p>	<p>Investors may send enquiries to the Board to the following:</p> <p>The Company Secretary of SY Holdings Group Limited</p> <p>Address: Unit 4202, 42/F, Tower 1, Lippo Center, 89 Queensway, Central and Western District, Hong Kong</p> <p>Tel: 852-3958-6888</p> <p>Email address: ir@syholdings.com</p>

9.4. Building Responsible Supply Chains

A stable supply chain contributes to promoting its own sustainable development. SY continues to enhance its operational resilience by integrating responsible health concepts into supplier management in accordance with the "Procurement Management Rules of SY Holdings Group Limited", establishing supplier admission and evaluation mechanisms to standardize supplier operations and create a responsible supply chain. During the Reporting Period, SY achieved a supplier assessment coverage rate of 100%, and conducted sampling checks on the daily procurement process, with no significant issues found.



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9.4.1. Supplier management

In order to effectively control the compliance risks that may arise from suppliers and their staff, SY conducts the admission and approval process for all employed suppliers in accordance with the "Procurement Management Rules of SY Holdings Group Limited".

- | | |
|---|--|
| <p>Before – Supplier
Whitelist</p> | <ul style="list-style-type: none"> • For any procurement transaction with a single purchase amount of RMB50,000 or above or an annual aggregate purchase amount of RMB50,000 or above, the procurement review function shall be responsible for verifying the supplier's admission qualifications • In the case of fee models without a fixed amount, where a single purchase is expected to reach or exceed RMB50,000 or the annual cumulative amount is expected to reach or exceed RMB50,000, the procurement review function shall likewise verify the supplier's admission qualifications • Possess a legally valid business license and other operating qualification documents, as well as the necessary equipment and professional and technical capabilities to perform a contract • Have good business reputation and no major illegal records in their business activities within 3 years prior to participating in the procurement activities • Comply with national requirements in terms of labor protection, energy saving, emission reduction and ecological protection • The company must have been established for no less than 3 years, or the service personnel must have at least 3 years of experience, such as accountants, appraisers, lawyers, electricians, etc. |
| <p>During – Supplier
Evaluation</p> | <ul style="list-style-type: none"> • The Administration Department initiates supplier evaluation for all departments of the Company every year, and the length of access of suppliers assessed shall be not less than half a year, with comprehensive assessments conducted respectively by the Procurement Review Panel and the Procurement Evaluation Group to re-evaluate the qualification of suppliers • If, upon completion of the supplier assessment, it is determined that the supplier does not meet the standards and requirements, or has a record of poor performance during the cooperation process, but continued cooperation with the supplier is still necessary, the Procurement Implementation Department should propose a corresponding rectification plan and improvement cycle for the supplier and report it to the relevant departments for approval |
| <p>After – Supplier Exit</p> | <ul style="list-style-type: none"> • If a supplier violates regulations and breaches the contract, fails to meet the Company's procurement standards and requirements, or does not comply with the integrity regulations, he/she/it will be put in the Supplier Blacklist and disqualified |



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9.4.2. Responsible procurement

SY actively practices responsible procurement by specifically incorporating ESG requirements into various stages such as supplier selection review, cooperation approval, process management and tracking feedback, helping suppliers actively undertake and fulfill their corporate social responsibilities and obligations.

According to the "Procurement Management Rules", the Group has established distinct admission criteria for product and service suppliers. Suppliers are required to comply with national regulations regarding ESG factors, including labor protection, energy conservation and emission reduction, and ecological environmental protection. These requirements serve as one of the adjustment criteria for supplier admission. In subsequent supplier evaluations, any supplier that fails to maintain the aforementioned admission conditions or violates integrity and compliance requirements will be blacklisted, and their status as an authorized supplier will be revoked.

- *Pre-purchase assessment*

SY conducts a comprehensive assessment of suppliers from multiple dimensions, including professional qualifications, commercial reputation and past compliance incidents. In terms of the environment, we advocate for green procurement and focus on assessing suppliers' performance in labor protection, energy conservation, emission reduction, and ecological environmental protection during the supplier access process, aiming to reduce the negative environmental impact of procurement activities. As for the social aspect, we adhere to the principles of fairness, impartiality and transparency, focusing on the suppliers' performance in areas such as labor protection during the supplier access process. In accordance with the "Procurement Management Rules", we sign the integrity agreement with suppliers for every procurement transaction to govern anti-corruption matters, which clearly stipulates regulations regarding business ethics, information security and privacy protection, prohibiting acts such as bribery and data privacy incidents.

- *Procurement supervision*

After selecting the suppliers, SY conducts relevant anti-corruption policy and procedure training for the suppliers in accordance with the requirements of the "Anti-Corruption and Whistleblowing Policy of SY Holdings Group Limited", advocating for business activities that comply with business ethics and codes of conduct, and implementing the relevant complaint reporting processes. At the same time, SY strengthens the internal control execution standards for the supervision and auditing of suppliers. The Corporate Governance Department conducts regular or irregular procurement supervision audits annually to prevent SY's business supply chain from having a negative impact on the environment and society.

Ad-hoc audits

The Governance Department conducts supervision audits on procurement projects that have been reported or found to have fraudulent activities

Regular audits

The Governance Department randomly selects multiple projects for supervision audits on a quarterly basis



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10. JOINING HANDS FOR MUTUAL DEVELOPMENT WITH EMPLOYEES

Talent is the core driving force behind the continuous development and innovation of fintech. SY always regards employees as the core competitiveness of the Company's development, which is the cornerstone of SY's brilliance. We aim to attract and develop talent by establishing and improving regulations and systems to safeguard employees' legal rights and interests. We prioritize employees' safety and health, and are committed to creating a fair, healthy and harmonious development environment for our employees, providing a high-quality platform for them to discover their potential.

10.1. Protecting Employees' Rights and Interests

SY strictly complies with laws and regulations, actively assumes responsibility for talent employment, facilitates communication channels between employees and management, establishes a diverse and rich benefits system, and strives to create a harmonious and diverse workplace.

10.1.1. Complying with labor standards

SY strictly adheres to the principle of equal opportunity and conducts recruitment and employment work in a legal and compliant manner, ensuring that labor contracts are signed with each employee on the basis of equality and voluntariness. This includes stipulating statutory working hours, not mandating overtime, and the payment of overtime compensation, thereby safeguarding employees' legal rights and fulfilling the obligations stipulated in the contract. Background investigations must be conducted for all employees before their employment to verify the authenticity of their identity information, educational background, work experience, etc., ensuring that there are no prohibitive conditions for employment before they can be hired. Employees are required to bring original identity certificates, academic qualifications and other documents for verification when starting their employment. During the Reporting Period, the Company did not have any cases of forced labor or child labor.

10.1.2. Fostering a diverse workplace

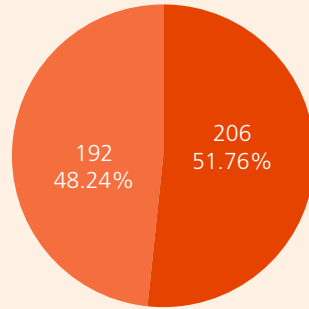
SY strictly complies with national and local policies and regulations such as the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", the "Employment Ordinance" and the "Immigration Ordinance" of the Hong Kong SAR, and has formulated a series of internal policies and regulations in the Group such as the "Employee Manual of SY Holdings Group Limited", the "Recruitment Management Policy of SY Holdings Group Limited", the "Promotion Management Policy of SY", the "Recruitment Management Policy of SY" and the "Internal Transfer and Rotation Policy of SY" and other employment and human resources management rules. The Company will consider the diversity of its workforce at various levels, strictly adhering to the principles of public recruitment, equal competition and fair selection in all aspects of recruitment, training and promotion, focusing on working capability, working attitude and professional ethics, and eliminating any discrimination arising from gender, age, race, nationality, health status or maternity status.



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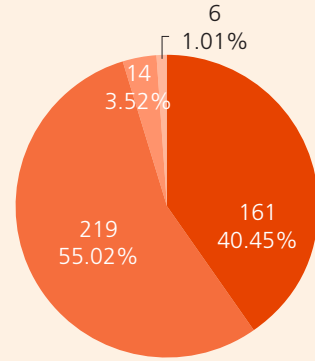
• *Employee diversity*

• Total number of employees by gender



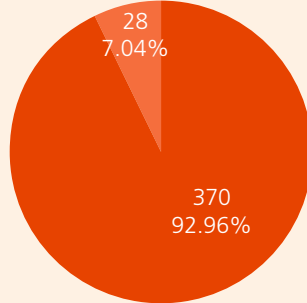
■ Male employee ■ Female employee

• Total number of employees by age



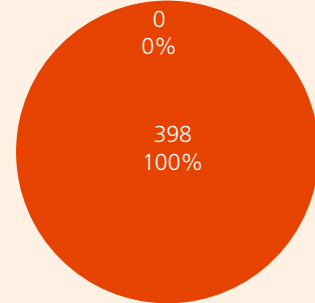
■ Aged 30 and below ■ Aged 31-40
■ Aged 41-50 ■ Aged 51 and above

• Total number of employees by geographical region



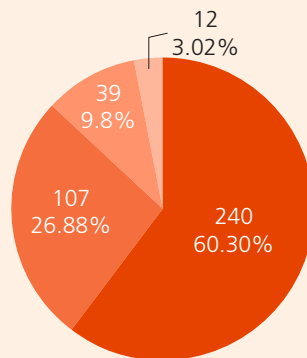
■ Chinese Mainland ■ Hong Kong, China

• Total number of employees by employment type



■ Number of full-time employees ■ Number of part-time employees

• Total number of employees by job position



■ General staff ■ Engineers
■ Middle management ■ Senior management



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Category	Indicator	Number/person	Proportion (%)
Gender	Male employees	206	51.76
	Female employees	192	48.24
Age	Aged 30 and below	161	40.45
	Aged 31-40	219	55.02
	Aged 41-50	14	3.52
	Aged 51 and above	4	1.01
Geographical region	Chinese Mainland	370	92.96
	Hong Kong, China	28	7.04
Employment type	Full-time employees	398	100.00
	Part-time employees	0	0.00
Job position	General staff	240	60.30
	Engineers	107	26.88
	Middle management	39	9.80
	Senior management	12	3.02

- *Employee turnover*

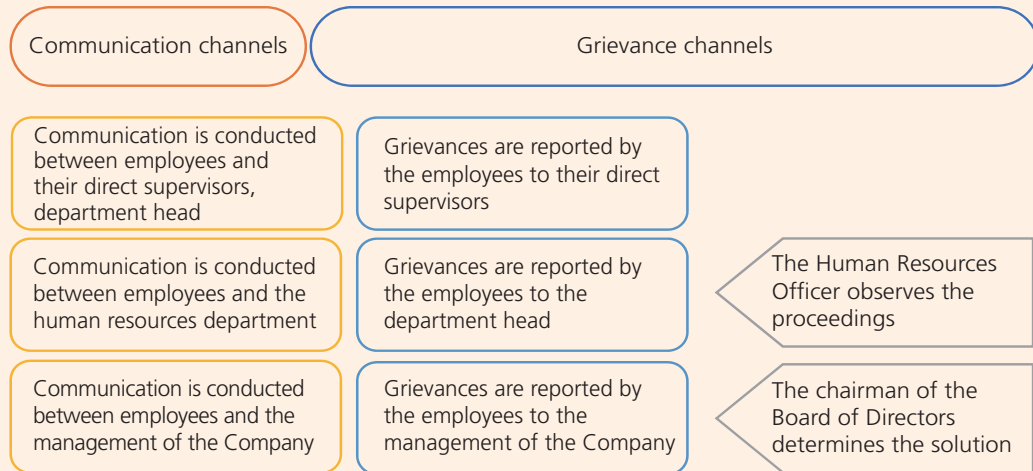
Category	Indicator	Number/person	Proportion (%)
Gender	Male employees	65	31.55
	Female employees	38	19.79
Age	Aged 30 and below	53	32.92
	Aged 31-40	45	20.55
	Aged 41-50	2	14.29
	Aged 51 and above	3	75.00
Geographical region	Chinese Mainland	96	25.95
	Hong Kong, China	7	25.00



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10.1.3. Facilitating communication channels

In order to listen to employees' suggestions and opinions and effectively address their demands, SY has specially established communication channels with the Chief Human Resources Officer, providing face-to-face communication with all employees of the Company without any requirements or limitations on positions. SY conducts annual employee satisfaction surveys to further strengthen its connection with employees, value their feedback, and continuously optimize management strategies based on this feedback to promote the Company's sustainable and healthy development. During the Reporting Period, SY revised its "Anti-Corruption and Whistleblowing Policy" to further clarify the Human Resources Department's responsibilities in handling employee complaints.



10.1.4. Ensuring employee benefits

SY is committed to providing all employees with more comprehensive benefits and guarantees, exploring innovative welfare mechanisms, and creating a competitive remuneration and benefits system, while providing performance bonuses based on performance appraisals to meet the diverse needs of its employees. We not only provide basic protections such as social insurance, housing provident funds, and health check-ups for our employees, but also actively apply for talent housing for them and organize activities such as company team building and Family Open Days, with a non-wage benefit coverage rate of 100%.

Type of Benefits	Benefit Name
Care Fund	Wedding gifts, maternity gifts, funeral and bereavement benefits, grants/pensions, application for diseases and medical resources, interest-free loans
Special allowance	Missed meal allowance and reimbursement of travelling
Health protection	Health check-up, commercial accident insurance
Statutory benefits	Five social insurances and one housing fund (Chinese Mainland), labor insurance & MPF (Hong Kong), statutory holidays
Holiday benefits	Birthday leave, full-paid sick leave, welfare annual leave, flexible attendance
Policy benefits	Tianjin Talent Housing, Shenzhen Talent Housing
Public welfare benefits	Public welfare activities
Festival benefits	Souvenirs for attending important events, birthday benefits, festival benefits
Daily benefits	Snack shop, afternoon tea
Employee benefits	Department team building fund, quarterly team building activities, company team building activities, Family Open Days, club activities, new employee seminars



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10.2. Attaching Importance on Health and Safety

SY always prioritizes the occupational health and safety of its employees and is committed to providing a safe and healthy work environment for all the employees. We strictly comply with laws and regulations such as the “Labor Law of the People’s Republic of China” and the “Labor Contract Law of the People’s Republic of China”, and have formulated the “Employee Manual of SY Holdings Group Limited”, the “Special Emergency Administration Measures on Disaster Accidents” and other policies in relation to management on occupational health and safety. We guard the physical and mental health of our employees by purchasing insurance for them, providing them with medical check-up and sports funds, and supplying various safety protection materials. As at the end of the Reporting Period, the Group had not experienced any work-related injuries or deaths or lost days due to work injury for seven consecutive years.

During the Reporting Period:

- Employee medical check-up coverage rate 94%
- Number of work-related injury incidents 0
- Number of work-related fatalities 0
- Number of working days lost due to work-related incidents 0

Strengthen Safety Management	Employee Health Protection	Occupational Health Measures	Auxiliary rooms and facilities	Employee Safety Training
Smoking is prohibited in all enclosed areas of the office	Purchase social medical insurance and commercial accident insurance, provide sports exercise funds and annual medical check-up funds	Provide dust prevention, noise reduction, ventilation, heating and pandemic prevention supplies	Including the provision of changing rooms, breastfeeding rooms, etc.	Conduct fire drills in the office building and invite hospital experts to hold public welfare lectures



**Case Study: SY Leading the Way, Rising to the Hoop (盛業領航,迎“籃”而上)
– Strengthening Employee Well-being through Sports Events**

In May 2025, the first round of group matches for the 2025 5th “Soochow Securities Cup” Basketball Tournament (Shanghai) officially commenced under the theme “SY Leading the Way, Rising to the Hoop”. As a key component of Soochow Securities’ 2025 “Public Welfare and Culture Month”, the tournament featured 20 teams and more than 300 athletes. As a co-organizer, Mr. Yuan Ye, Chief Strategy Officer of SY, delivered a speech at the opening ceremony, reaffirming SY’s commitment to fully supporting the event, contributing to the creation of a high-quality basketball tournament, and collaborating with all participants to champion positive social values during the “Public Welfare and Culture Month” activities. Using sports competition as a unifying thread, the tournament vividly brought to life the cultural essence of “Sharing, Win-win, and Daring to Create the Future”. This initiative reflects the Company’s commitment to its employees’ physical and mental well-being, to enriching their after-work cultural lives, and to strengthening team cohesion. It also serves as a concrete example of how the Group systematically safeguards employee health – through organizing athletic events and providing dedicated fitness subsidies.



10.3. Assisting Employee Development

“No limited by age or qualifications, but talent is the criterion”. This phrase vividly captures the essence of SY’s corporate culture. SY has always adhered to an ability-oriented approach, constructing a scientific and reasonable employee training system, talent reserve system and employee incentive system, continuously improving the talent selection mechanism and career development pathways. SY is committed to providing employees with multidimensional training and development opportunities, stimulating the endogenous motivation of talents, establishing and improving a multi-level and multi-type complex of talents, and ensuring that every talent who creates exceptional value for SY has a smooth development space to realize their self-worth in the growth of the enterprise.



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10.3.1. Talent development

SY has formulated talent development systems such as the “Employee Training Management System of SY” and the “Employee Transfer Management System of SY”, establishing a phased, categorized and comprehensive training system. SY designs corresponding training courses for different employees at various stages of development, offering a diverse range of programs including leadership training, management training, specialized learning plans for job proficiency, and specialized information security training, to help employees comprehensively enhance their capabilities and perspectives.



During the Reporting Period:

- Employee training coverage rate 100%
- Number of training courses conducted during the year: 189
- Total number of employees participating in training during the year: 398
- Proportion of employees participating in training during the year: 100%
- Employee satisfaction with training: 97%



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- *Employee phased training*

Development stage	Training content
Introduction stage	The main purpose is to help new employees get on the job as soon as possible, and the learning content includes company introduction, business introduction, introduction to regulations and rules, job-related content study, information security, basic MS Office skills, etc.
On-the-job stage	The main purpose is to enhance employees' job competency, and the learning content mainly includes courses related to general, business, industrial, financial and technology fields, enabling employees to continuously strengthen their business understanding and improve their competency to meet job requirements
Promotion stage	The main purpose is to enable employees to transition to management roles as soon as possible, with the learning content primarily focusing on management theory and on-the-job training
Specialized learning	Focusing primarily on the short-term and rapid enhancement of employees' professional knowledge or professional skills in a specific area, such as project management, etc.

- *Employee diversity training program*

Training Type	Training content
Employee secondment for training	As of 2025, there have been a total of 3 sessions, with main content including the Executive Leadership Summit, Interpersonal Sensitivity Training and SHL Certified Assessor Training
New employee training	In line with the job requirements of new employees, training programs are arranged to help new employees quickly become competent in their positions, covering a total of 144 new employees in 2025
Cross-departmental training	In response to the needs of various departments, cross-departmental training sessions are arranged monthly. A total of 55 training sessions has been organized in 2025, covering 4,830 person-times
Specialized industry training	A total of 9 training sessions has been conducted in 2025, covering 790 person-times, enhancing employees' awareness and understanding of the pharmaceutical and infrastructure industries



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Training Type	Training content
Specialized information security training	Conduct monthly information security examinations and training to enhance employees' safety awareness. A total of 11 training sessions were conducted in 2025, covering 4,657 person-times
Management training	Covering three management levels, including primary and alternate heads of departments, primary and alternate heads of functional groups and reserves for functional group heads, a total of 8 leadership series training courses were conducted in 2025, including "Five Disciplines of High-Performance Teams", "Systems Thinking and Rational Decision-Making", "Effective Business Management" and "JMT Supervisor Management Skills", reaching 103 participants
Leadership training	Enhance the management awareness of the management team, master management tools, share and exchange experiences, and invite external lecturers to conduct various training methods

- *Employee training performance*

Type	Indicator	Unit	2025
Percentage of trained employees by gender	Male employees	%	100.00
	Female employees	%	100.00
Average training hours per employee by gender	Male employees	Hour/person	52.27
	Female employees	Hour/person	51.60
Percentage of trained employees by categories	General staff	%	100.00
	Engineer	%	100.00
	Middle management	%	100.00
Average training hours per employee by categories	Senior management	%	100.00
	General staff	Hour/person	52.15
	Engineer	Hour/person	53.48
	Middle management	Hour/person	61.08
	Senior management	Hour/person	62.86



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10.3.2. Talent reserve

Based on the talent reserve development strategy, SY formulates a reasonable annual recruitment plan in conjunction with the existing staffing, the business objectives for the following year and the development plans, and regulates the management of diversified recruitment channels and the talent pool through the “SY Recruitment Management Policy”. During the Reporting Period, SY had a total of 224 employees.

Recruitment channels		Talent pool	
External recruitment	Internal channel	External talent pool	Internal talent pool
To introduce outstanding talents externally to enrich the Company’s talent team by way of acquisition of various talents through recruitment website, headhunting, internal referral, colleges and universities, professional associations and other diversified channels	To select suitable talents in the Company to the corresponding positions by way of job rotation, transfer, competition, promotion, etc.	External talent pool is an important source of talents and a long-term talent reserve for the Company. The talent pool is managed by layers and categories, and potential talents can be invited to join the Company through various effective operation methods	The internal talent pool mainly consists of the Company’s on-duty employees, who provide value for the Company to effectively utilize internal resources, including networking resource development and background investigation, etc.

10.3.3. Talent incentives

SY has formulated incentive policies such as the “Management Measures for the Share Incentive Plan of SY Holdings Group Limited”, the “Intellectual Property Management Measures”, the “Reward and Punishment Management Measures” and the “Individual Development Plan (IDP) Guidelines”, providing employees with a comprehensive promotion mechanism and options and share rewards, encouraging their continuous growth in an environment characterized by effective motivation, fair competition and mutual cooperation.

- *Promotion incentives*

The “Management Measures for Promotion in SY” clarifies the four major principles for promotion:

- Pro-advanced principle: Employees proposed for promotion have made significant contributions to the realization of the Company’s values, achieving excellent performance and demonstrating good conduct.
- Value-oriented principle: Employees proposed for promotion shall align with the value orientation of “integrity, people-oriented, service-oriented, pursuit of innovation”.
- Principle of fairness and justice: The promotion of Company personnel shall comply with the Company’s promotion process, ensuring fairness and justice, and creating an equal development environment for employee development.
- Diversity principle: The Board of Directors and senior management are responsible for overseeing the implementation of diversity policies during the promotion process, in order to achieve a balanced combination of all employees, including junior, middle and senior management, with particular emphasis on achieving an appropriate balance in gender composition.



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- *Options and equity incentives*

SY implements the “Policy of the Share Incentive Plan of SY Holdings Group Limited (《盛業控股集團有限公司期權激勵計劃管理辦法》)”, which aims to fully mobilize the enthusiasm of the Company’s management personnel and core talents, ensuring the achievement of the Company’s strategic goals and the Company’s long-term sustainability. The Company has adopted a share option scheme and a restricted share unit (RSU) scheme to grant equity incentives to eligible employees for the purpose of retaining and incentivizing talent. As at the end of the Reporting Period, a total of 22 individuals were granted options (excluding independent directors and resigned personnel); 23 individuals were granted RSUs, among which 11 individuals held both options/RSUs. Through such new share incentive methods, SY aims to recognize employees who have made significant contributions and motivate them to continue contributing to the Group’s ongoing operations and development.

- *Bonus incentives*

SY incorporated the “greater opportunities for those in charge” into the corporate values, encouraging employees to apply for patents and boldly innovating in business operations. Completion of innovative projects will be rewarded with project bonuses and additional points in performance evaluations. During the annual evaluation, the “Innovation Project Cooperation Award” will be established to select outstanding innovation projects and provide rewards. In the year 2025, through the continuous efforts of the R&D and legal colleagues, SY Technology successfully obtained 17 software copyright certificates. As of the end of the Reporting Period, the Company has issued incentive bonuses of RMB 58,500 to colleagues who successfully applied for software copyrights and patents, and the Company has established a long-term mechanism for incentivizing software copyright and patent applications.

Incentives for business personnel: The Company serves as a solid backing for every front-line business personnel and middle-to-back-office colleague, and provides commission-based incentives to business personnel. In particular, colleagues who made outstanding contributions during the Company’s year-end sales surge campaign received priority consideration for performance bonuses. As of the end of the Reporting Period, the Company has distributed RMB10.9645 million in bonuses.



10.4. Care for Employees

SY is committed to creating a relaxed and enjoyable working atmosphere for its employees, always prioritizing employee care. It actively focuses on the physical and mental health of female employees through various means and provides timely support and assistance to employees in difficulty. At the same time, SY regularly organizes a variety of activities to help employees achieve a balance between work and life while working efficiently, allowing every employee to feel a sense of belonging and happiness in an environment of warmth and care.

- **Caring for female employees**

SY strictly complies with the “Law of the People’s Republic of China on the Protection of Rights and Interests of Women (《中華人民共和國婦女權益保障法》)” and other laws and regulations to effectively safeguard the rights and interests of female employees. Safe, hygienic and private rest and breastfeeding facilities, such as nurseries, are provided for female employees during their pregnancy and lactation, with daily cleaning to maintain cleanliness and tidiness; pregnant women are entitled to statutory leave.

- **Assistance to employees in difficulty**

With the support of local government policies, the Company actively applies for benefits such as talent housing and housing subsidies for its employees to address their residential issues. As of the end of the Reporting Period, 62 colleagues successfully applied. According to the “Interest-Free Loan Management System”, the Company provides interest-free loans for employees’ significant personal or family expenditures. As of the end of the Reporting Period, 3 colleagues have successfully applied for loans, amounting to RMB260,000, demonstrating our commitment to enhancing the quality of life.

- **Enriching employees’ lives**

SY regularly organizes a variety of employee activities and provides team building funds for employees. Each department conducts diverse team building activities to continuously enhance the happiness and cohesion of the employee team. During the Reporting Period, we organized a variety of clubs and team-building activities, including outdoor club, board game club, badminton club and basketball clubs, with a total of 118 activities covering 504 person-times.



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11. DELIVERING SY SOCIAL VALUES

SY always practices the public welfare concept of “Starting from the Heart, Radiating Goodness”, regards the fulfillment of social responsibility as an important mission for the Company’s development. It actively participates in various public interest activities with focus on helping impoverished areas, industry development, supporting youth development and other fields, helping the needy groups in society as much as possible and continuously creating long-term value for society. SY has formulated the “ESG Management System of SY Holdings Group Limited” and the “External Donation Management Rules of SY Holdings Group Limited” to ensure the standardized and professional operation of SY’s public welfare undertakings. The Company not only provides public welfare and relief donations, but also attaches importance to comprehensively practicing social responsibility through industrial empowerment, educational support and other innovative models. At the same time, SY actively cultivates a culture of public welfare and encourages employees to deeply participate in volunteer services by organizing diverse charitable and community activities.

Public welfare donations	Relief donations	Other donations
Donations to the fields such as education, science, culture, sanitary and medical care, sports undertaking and environmental protection, and construction of public facilities	Donations for production, living relief and assistance provided to regions that have suffered from natural disasters or have been recognized by the state as “old, young, border and poor” regions, as well as disadvantaged groups and individuals in difficulty in the society	In addition to public welfare donations and relief donations, the donations made by the Company for the promotion of humanitarian purposes or other social public welfare undertakings that promote social development and social progress

During the Reporting Period:

- Total number of employees participating in public charity/volunteer service programs: 195 person-time
- Total hours of employees participating in public charity/volunteer service programs: 1,642 hours
- Number of public charity/volunteer service programs conducted: 21
- Total amount invested in public charity/volunteer service programs: RMB917,100



11.1. SY Public Welfare Foundation

SY Public Welfare Foundation focuses on three core areas to build a comprehensive public welfare ecosystem and create value for society: in the field of “Caring for children in need”, it illuminates the light of hope for children in distress through precise assistance and emotional support; in the field of “Supporting industry and rural revitalization”, it empowers industrial development and assists in revitalizing the rural economy through various forms; in the field of “Youth inspirational programmes”, it establishes a platform for the growth of young talents and gives wings to their dreams.

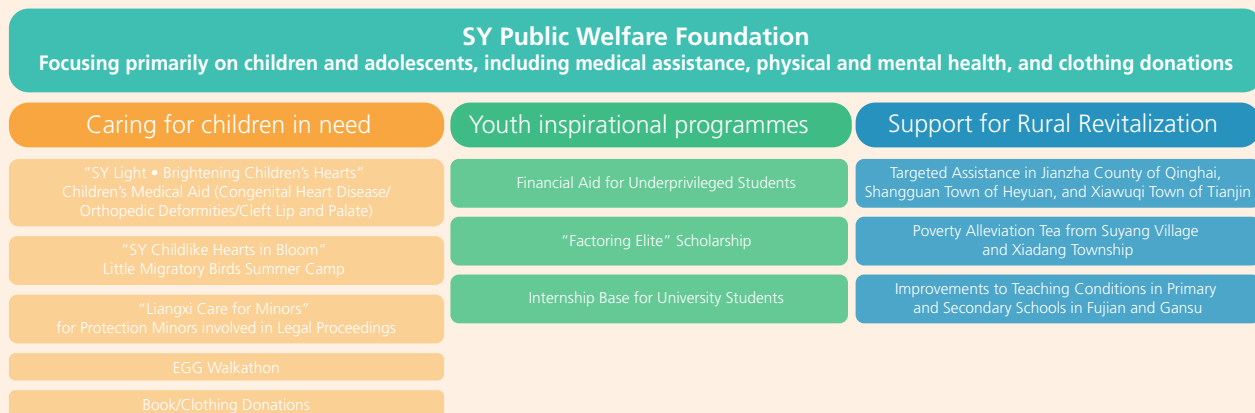
SY Public Welfare Foundation is a 3A-level charitable organization initiated by SY and approved by the Tianjin Municipal Civil Affairs Bureau. It qualifies for tax exemption and pre-tax deduction. The Party Branch of the Foundation has been awarded the honorary title of Advanced Grassroots Party Organization in Dongjiang, Tianjin.

- ### Business scope of SY Public Welfare Foundation

The Foundation conducts assistance activities for people in need by donating money and supplies, including:

- Provide financial assistance to people in need
- Provide disease relief subsidies to people in need
- Provide financial aid to students in need
- Participate in public welfare and charitable activities advocated by registration authorities

Plan of SY Public Welfare Foundation



In the future, SY will continue to actively fulfill its social responsibilities. Through the establishment of the SY Public Welfare Foundation, SY will further carry out more diversified public welfare activities, contribute to a wider range of public welfare and charity causes, and take concrete actions to support the harmonious development of the society and extend the light of SY to a far-reaching place.



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11.2. Caring for children in need

The healthy growth and future development of minors are crucial to the happiness and well-being of millions of families and the harmony and stability of the society. SY's "Caring for children in need" has extended warmth and hope to children in need through charitable donations, provision of goods, organizing summer camps, so that these children can grow up healthily and happily.

Case: SY Public Welfare Foundation launched the "SY Light • Brightening Children's Hearts (盛業光•童心亮)" Medical Aid Project in Qinghai Province and Ningxia Hui Autonomous Region

In May 2025, to address the challenges faced by children with congenital heart disease (CHD) from underprivileged families in Qinghai Province and Ningxia Hui Autonomous Region in accessing medical care, and to ensure early detection, diagnosis, and treatment, thereby preventing the loss of the optimal window for treatment due to information gaps or a lack of medical resources, SY Public Welfare Foundation partnered with the medical service team from Tianjin TEDA International Cardiovascular Hospital to launch the "SY Light•Brightening Children's Hearts (盛業光•童心亮)" screening and assistance campaign for children with CHD in Jianzha County, Tongren City, Zeku County, and Henan County. At the same time, in collaboration with the Handpicked Love Foundation of the China Charity Federation, the Foundation organized free screenings in Yinchuan and Shizuishan for children aged 0 to 18, covering CHD, cleft lip and palate, and orthopedic deformities.

During this free medical outreach event, a total of 304 children of eligible age received professional screenings for conditions such as CHD, cleft lip and palate, scoliosis, and limb deformities. Following the examinations, 28 children were found to be in urgent need of surgery. Following confirmation and eligibility assessment in this free medical outreach event, some of these children will be scheduled for surgical treatment under the "SY Light • Brightening Children's Hearts" Children's Medical Aid Project, which will also provide full funding for their surgical expenses.



**Case: SY Public Welfare Foundation launched “Liangxi Care for Minors (溪心護苗)”
public welfare project to help protect minors involved in legal proceedings**

In May 2025, to foster the healthy development of minors involved in legal proceedings, the SY Public Welfare Foundation, in collaboration with the Civil Affairs Bureau of Liangxi District, Wuxi and the People’s Court of Liangxi District, jointly launched and officially initiated the “Liangxi Care for Minors (溪心護苗)” public welfare project for the protection of minors involved in legal proceedings. This initiative is dedicated to supporting minors involved in legal proceedings by providing financial aid for living expenses, education, medical care, and psychological counseling. Through targeted assistance and long-term care, the project aims to establish a robust protective barrier for youth in distressed circumstances.

At the launch ceremony, representatives from the three parties signed a cooperation agreement and completed the inaugural disbursement of special relief funds, marking the commencement of the project’s substantive implementation. By integrating financial support with psychological counseling, the project consolidates multi-party resources to help minors involved in legal proceedings navigate personal hardships and regain hope, thereby supporting their healthy growth, while calling upon broader social sectors to join the effort.



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Case: Building Dreams with Love, Safeguarding Growth | SY Public Welfare Foundation Organized the “Little Migratory Birds on Construction Sites Summer Camp (工地小候鸟夏令营)”

To honor urban builders and protect the young “migratory birds”, SY Public Welfare Foundation, in collaboration with Shandong Branch of China Construction Second Engineering Bureau Ltd. and China West Construction Group No.4 (Guangdong) Co., Ltd. (中建西部建设集团第四(广东)有限公司), hosted two sessions of the “Little Migratory Birds on Construction Sites” summer camp themed “SY Childlike Hearts in Bloom: Building to See Dreams (童心‘盛’放,‘建’证梦想)”. The event welcomed 29 families of construction workers from various regions, with a total of 85 participants.



Centered on the caring for the children of construction workers, the summer camp provided the “Little Migratory Birds” with a firsthand look at the infrastructure industry, fostering an understanding of their parents’ dedication and effectively strengthening the emotional bond between parents and children. At the same time, the diverse range of experiential activities enabled the “Little Migratory Birds” to enjoy a unique summer, broadening their horizons and achieving personal growth through exploration and interaction. This initiative not only offered a sense of warmth and appreciation to urban builders but also underscored SY Public Welfare Foundation’s commitment to its founding mission: fulfilling social responsibilities and spreading compassion.



11.3. Supporting Industry Development and Rural Revitalization

SY Public Welfare Foundation has actively organized and participated in industry exchange conferences to share its experience in improving the financing environment for SMEs and promoting the cooperation among the upstream and the downstream enterprises in the industrial chain. At the same time, SY is concerned about infrastructure construction and education in rural areas, and has conducted multiple charitable donation activities to bring better living conditions to areas with relatively weak infrastructure and bring better educational resources and environments to schools with relatively weak teaching facilities, thereby contributing to rural revitalization.

During the Reporting Period, SY made solid progress in promoting the development of SMEs and rural revitalization through industrial empowerment and public welfare support, contributing to social development.

Case: Where tiny glimmers come together, a warm sun emerges to light the path ahead

Guided by the belief that education illuminates the future, SY Public Welfare Foundation continues to support the revitalization of rural education through consistent and meaningful action. On 24 October 2025, SY Public Welfare Foundation visited Zhuguanlong School in Shouning County, Fujian Province, to host a donation ceremony. The initiative provided the school with teaching equipment, including computers and air-conditioning units, to effectively improve the children's learning environment. By ensuring classrooms remain cool in the summer and warm in the winter, the Foundation has facilitated a more conducive atmosphere for the seamless transfer of knowledge, injecting a sense of warmth and vitality into rural education.

SY Public Welfare Foundation consistently upholds its commitment to rural education revitalization. Moving forward, the Foundation will continue to nurture the growth of rural children through incremental yet impactful contributions, empowering rural education with goodwill and support.



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11.4. Youth Inspirational Programmes

Young talents are the backbone of the nation and society. SY firmly implements the strategy of strengthening the enterprise with talents, focuses on the cultivation of young talents and supports the career development of young people, including providing financial assistance to poor university students, offering scholarship programs of university students, and providing internship and employment opportunities.

During the Reporting Period, SY has held scholarship presentation ceremonies for university students, school-enterprise exchange activities and other activities to motivate them to pursue knowledge, which would be helpful to promote education development and the integration of industry and academia.

Case: Jointly Hosting the Seventh Session of “SY • Factoring Talent” Scholarship Granting Ceremony for the “Supply Chain Finance – Commercial Factoring” Special Class

On 12 December 2025, the Seventh Session of “SY • Factoring Talent” Scholarship Granting Ceremony for the “Supply Chain Finance – Commercial Factoring” Special Class of the College of Economics Shenzhen University was successfully held at Lihu Campus of Shenzhen University. The event was jointly supported by Shenzhen University, the Shenzhen Factoring Association, SY Holdings Group, and the SY Public Welfare Foundation. The ceremony focused on talent cultivation within the factoring industry, serving as a vital platform for industry-academia-research synergy and bolstering the high-quality development of the industry.

The Chairman of the SY Public Welfare Foundation stated during the event that the Foundation remains committed to providing scholarships and internship positions for the Special Class, help students apply their academic knowledge in practice. Looking ahead, the Foundation will continue to collaborate with all stakeholders to deepen industry-academia-research cooperation. By centering its educational efforts on the Special Class, the Foundation aims to nurture versatile factoring professionals through diverse initiatives, thereby establishing a solid talent foundation for the factoring industry and the improvement of quality and efficiency in the real economy while demonstrating the Foundation’s commitment to supporting industrial advancement.



12. APPENDIX**12.1. Key Performance Table****12.1.1 Social key performance table**

Indicator Category	Key Social Performance Indicator	Unit	2025	2024	2023	
Labor force management	Total number of employees	Person	398	362	358	
	Number of employees by gender	Male employees	Person	206	183	172
		Female employees	Person	192	179	186
	Number of employees by employee type	General staff	Person	240	226	227
		Engineer	Person	107	86	93
		Middle management	Person	39	38	26
	Number of employees by age group	Senior management	Person	12	12	12
		30 years old and below	Person	161	143	162
		31-40 years old	Person	219	201	179
		41-50 years old	Person	14	12	11
	Number of employees by region	51 years old and above	Person	4	6	6
		Chinese Mainland	Person	370	334	344
		Hong Kong, China	Person	28	28	14
	Total employee turnover rate	%	25.88	15.75	16.20	
	Employee turnover rate by gender	Male employees	%	31.55	18.03	15.70
		Female employees	%	19.79	13.41	16.67
	Employee turnover rate by age	30 years old and below	%	32.92	23.78	16.67
		31-40 years old	%	20.55	9.95	15.08
		41-50 years old	%	14.29	25.00	36.36
		51 years old and above	%	75.00	0	0
Employee turnover rate by region	Chinese Mainland	%	25.95	15.7	15.70	
	Hong Kong, China	%	25.00	7.14	28.57	
Health and safety	Number of work-related accidents	No.	0	0	0	
	Number of work-related deaths	Person	0	0	0	
	Proportion of work-related deaths	%	0	0	0	
	Number of working days lost due to work-related accidents	Day	0	0	0	
	Coverage rate of employee health examination	%	94	91.99	88.83	



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Indicator Category	Key Social Performance Indicator	Unit	2025	2024	2023	
Development and training	Number of training courses conducted	No.	189	111	168	
	Employee satisfaction with training	%	97	99.40	98	
	Total number of employees participating in training	Person	398	362	342	
	Total percentage of trained employees	%	100	100	95.53	
	Average training hours of employees	Hour/ person	53.25	29.51	61.61	
	Percentage of trained employees by gender	Male employees	%	100	100	94.19
		Female employees	%	100	100	96.77
	Average training hours per employee by gender	Male employees	Hour/ person	52.27	31.41	50.56
		Female employees	Hour/ person	51.6	27.56	71.84
	Percentage of trained employees by employee category	General staff	%	100	100	94.71
		Engineer	%	100	100	95.70
		Middle management	%	100	100	100
		Senior management	%	100	100	100
	Average training hours per employee by employee category	General staff	Hour/ person	52.15	27.5	78
		Engineer	Hour/ person	53.48	39.8	38
		Middle management	Hour/ person	61.08	23.7	36
		Senior management	Hour/ person	62.86	11.9	26
Supply chain management	Total number of cooperating suppliers	No.	43	45	86	
	Number of suppliers in Chinese Mainland	No.	36	38	78	
	Number of suppliers in Hong Kong, China	No.	7	7	8	
	Number of suppliers conducting evaluation	No.	45	45	86	
	Supplier evaluation coverage	%	100	100	100	



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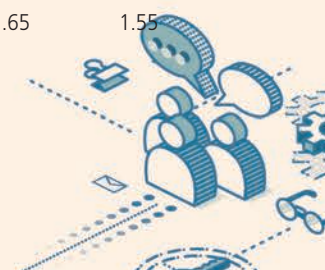
Indicator Category	Key Social Performance Indicator	Unit	2025	2024	2023
Customer service	Handling rate of customer complaints	%	100	100	100
	Customer service satisfaction	%	96.77	99.06	98.90
	Number of customer service trainings	Time	0	2	15
	Customer service training person-time	Person-time	0	0	360
Intellectual property protection	New calculator software copyright	No.	17	10	11
	Cumulative calculator software copyright	No.	85	68	58
	New invention patent authorization	No.	3	8	2
	Cumulative invention patent authorization	No.	15	12	4
Information and privacy security	Total number of information security training	Time	11	13	13
	Information security training person-time	Person-time	4,657	3,028	4,079
	Number of data security complaints	No.	0	0	0
	Number of customer privacy security incidents	No.	0	0	0
	Number of customer privacy security complaints	No.	0	0	0
Business ethics	Number of corruption lawsuits against the Company and its employees	No.	1	0	0
	Economic losses caused by corruption lawsuits to the Company	Yuan	10,014	0	0
	Number of anti-corruption training sessions for employees	No.	3	2	1
	Number of anti-corruption training sessions for directors	No.	3	1	1
	Number of directors participating in anti-corruption training	Person-time	11	9	7
	Number of employees participating in anti-corruption training	Person-time	881	363	358
	Coverage rate of business ethics standard training for employees	%	100	100	100
	Review frequency of business ethics standards	Year/time	3	2	1
Public charity	Total number of employees participating in public charity/volunteer service programs	Person-time	195	145	76
	Total hours of employees participating in public charity/volunteer service programs	Hour	1,642	1,539.00	2,304.50
	Number of public charity/volunteer service programs conducted	No.	21	20	13
	Total amount invested in public charity/volunteer service programs	RMB0,000	91.71	102.12	286.67



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12.1.2 Environmental key performance table

Indicator Category	Key Environmental Performance Indicator	Unit	2025	2024	2023	2022
Energy use	Total electricity consumption	MWh	572.47	417.08	585.19	554.10
	Gasoline consumption	MWh	125.28	124.47	130.34	102.77
	Total energy consumption	MWh	697.72	541.55	715.53	656.87
	Energy consumption per capita	MWh/person	1.75	1.50	2.00	1.74
	Energy consumption per unit area	MWh/square meter	0.12	0.12	0.12	0.11
Greenhouse gas emissions	Scope 1: Greenhouse gas emissions from direct emission sources	tCO ₂ e	40.20	31.07	32.60	25.39
	Scope 2: Greenhouse gas emissions from indirect emission sources	tCO ₂ e	326.50	254.46	357.02	338.06
	Scope 3: Other indirect greenhouse gas emissions	tCO ₂ e	843.50	644.03	529.57	228.93
	Total greenhouse gas emissions ¹⁰	tCO ₂ e	1,210.20	929.56	919.19	592.38
	Greenhouse gas emissions per capita	tCO ₂ e/person	3.04	2.57	2.57	1.57
	Greenhouse gas emissions per unit area	tCO ₂ e/square meter	0.22	0.20	0.16	0.10
Water use	Municipal water supply consumption	Tonne	2,245	2,260	2,262	2,262
	Drinking water consumption	Tonne	70.20	60.30	73.08	73.78
	Total water consumption	Tonne	2,315.20	2,320.30	2,335.08	2,336
	Water consumption per capita	Tonne/person	5.82	6.41	6.52	6.20
Exhaust emissions	Nitrogen oxides (NO _x) emissions	Kilogram	2.76	1.98	2.09	1.88
	Sulfur dioxide (SO ₂) emissions	Kilogram	0.21	0.36	0.42	0.17
	Particulate matter (PM) emissions	Kilogram	0.14	0.31	0.37	0.50
Waste management	Total amount of non-hazardous waste generated	Kilogram	6,500	6,500	6,580	6,580
	Amount of non-hazardous waste generated per capita	Kilogram/person	16.33	17.96	18.38	17.45
	Total amount of hazardous waste generated	Kilogram	10	10	10	10
	Amount of hazardous waste generated per capita	Kilogram/person	0.03	0.03	0.03	0.03
	Paper recycling volume	Kilogram	60	60.00	61.00	60.20
	Plastic bottle recycling volume	Kilogram	500	500.00	530.00	525.47
	Total amount of recycled waste	Kilogram	590	590.00	591.00	585.67
Total amount of waste recycling per capita	Kilogram/person	1.48	1.63	1.65	1.55	



12.2. Indicator Index

HKEX Environmental, Social and Governance Reporting Guide Index

Disclosure Requirements	Disclosure	Reporting Section or Explanation	
Mandatory Disclosure Requirements			
Governance Structure	Disclosed	4.1 Governance Structure	
Reporting Principles	Disclosed	1.About This Report	
Reporting Boundary	Disclosed	1.About This Report	
“Comply or Explain” Provisions			
Aspect A1: Emissions			
General Disclosure	Disclosed	7. Building a Low-Carbon Ecosystem	
A1.1	The types of emissions and respective emissions data	Disclosed	7.3. Promoting Green Operation 12.1.2. Environment key performance table
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Disclosed	7.2. Tackling Climate Change 12.1.2. Environment key performance table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Disclosed	7.3. Promoting Green Operation 12.1.2. Environment key performance table
A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility)	Disclosed	7.3. Promoting Green Operation 12.1.2. Environment key performance table
A1.5	Description of emissions target(s) set and steps taken to achieve them	Disclosed	7.2. Tackling Climate Change
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Disclosed	7.3. Promoting Green Operation



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Disclosure Requirements		Disclosure	Reporting Section or Explanation
Aspect A2: Use of Resources			
General Disclosure		Disclosed	7.3. Promoting Green Operation
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Disclosed	7.3. Promoting Green Operation
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Disclosed	7.3. Promoting Green Operation
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Disclosed	7.3. Promoting Green Operation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Disclosed	7.3. Promoting Green Operation
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable to principal business	
Aspect A3: Environment and Natural Resources			
General Disclosure		Disclosed	7.3. Promoting Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Disclosed	7.3. Promoting Green Operation
Aspect A4: Climate Change			
General Disclosure		Disclosed	7.2. Tackling Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Disclosed	7.2. Tackling Climate Change



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Disclosure Requirements		Disclosure	Reporting Section or Explanation
Aspect B1: Employment			
General Disclosure		Disclosed	10.1. Protecting Employees' Rights and Interests
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Disclosed	10.1. Protecting Employees' Rights and Interests 12.1.1. Social key performance table
B1.2	Employee turnover rate by gender, age group and geographical region	Disclosed	10.1. Protecting Employees' Rights and Interests 12.1.1. Social key performance table
Aspect B2: Health and Safety			
General Disclosure		Disclosed	10.2. Attaching Importance on Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Disclosed	10.2. Attaching Importance on Health and Safety 12.1.1. Social key performance table
B2.2	Lost days due to work injury	Disclosed	10.2. Attaching Importance on Health and Safety 12.1.1. Social key performance table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Disclosed	10.2. Attaching Importance on Health and Safety
Aspect B3: Development and Training			
General Disclosure		Disclosed	10.3. Assisting Employee Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Disclosed	10.3. Assisting Employee Development 12.1.1. Social key performance table
B3.2	The average training hours completed per employee by gender and employee category	Disclosed	10.3. Assisting Employee Development 12.1.1. Social key performance table



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Disclosure Requirements		Disclosure	Reporting Section or Explanation
Aspect B4: Labour Standards			
General Disclosure		Disclosed	10.1. Protecting Employees' Rights and Interests
B4.1	Description of measures to review employment practices to avoid child and forced labour	Disclosed	10.1. Protecting Employees' Rights and Interests
B4.2	Description of steps taken to eliminate such practices when discovered	No such violation occurred during the Reporting Period	
Aspect B5: Supply Chain Management			
General Disclosure		Disclosed	9.4. Building Responsible Supply Chains
B5.1	Number of suppliers by geographical region	Disclosed	12.1.1. Social key performance table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Disclosed	9.4.1. Supplier management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Disclosed	9.4.2. Responsible procurement
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Disclosed	9.4.2. Responsible procurement
Aspect B6: Product Responsibility			
General Disclosure		Disclosed	8.1.4. Providing responsible products
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to principal business	
B6.2	Number of products and service related complaints received and how they are dealt with	Disclosed	8.1. Optimizing Customer Experience
B6.3	Description of practices relating to observing and protecting intellectual property rights	Disclosed	8.2. Protecting Intellectual Property
B6.4	Description of quality assurance process and recall procedures	Disclosed	8.1. Optimizing Customer Experience
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Disclosed	8.3. Attaching Importance to Data Security 8.4. Protecting Customer Privacy



Disclosure Requirements		Disclosure	Reporting Section or Explanation
Aspect B7: Anti-corruption			
General Disclosure		Disclosed	9.2. Adhering to Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	Disclosed	9.2. Adhering to Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Disclosed	9.2. Adhering to Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff	Disclosed	9.2. Adhering to Business Ethics
Aspect B8: Community Investment			
General Disclosure		Disclosed	11. Delivering SY Social Values
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Disclosed	11. Delivering SY Social Values
B8.2	Resources contributed (e.g. money or time) to the focus area	Disclosed	11. Delivering SY Social Values 12.1.1. Social key performance table

