



盛業資本
SHENG YE CAPITAL

Sheng Ye Capital 1H 2020 Results Presentation

6069.HK

[Disclaimer

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Speaker Profile

Experienced Management Team



Tung Chi Fung, Jeff

Chairman and Executive Director

- Jeff is the founder of SY Capital and led the company through its start-up phase to become a listed company in just 3 years
- Jeff was honored as one of the Influential Leaders in 2020 by Association to Advance Collegiate Schools of Business
- He also holds various positions in different social and charity groups



Yuan Ye, Aaron

Chief Strategy Officer

- Aaron has extensive experience in the capital market and profound knowledge in fintech
- He was Executive Director of Olympus Capital Asia, a pan-Asia PE fund with AUM over US\$2 bn
- Chartered Accountant of Singapore



Chen Jen-Tse, Jerry

Executive Director

- Jerry has over 19 years of experience in the factoring industry
- Prior to joining the Group, he held various positions in different financial institutions



Lo Wai Hung, Ivan

Chief Financial Officer

- Ivan has approximately 30 years experience in financial accounting
- Member of HKICPA
- Associate member of ICAA

Company Overview

SY Capital at a glance

1st listed commercial factoring company in China on HKEX



“1 + N + Fintech” Model

Partnering with **blue-chip Core**

Enterprise to serve 4000+ SMEs

SY Capital is a leading **data-driven** commercial factoring services provider in Asia

...leveraging **fintech** capabilities to empower underserved SMEs

Track Record*

46%

1H2020
Net Profit
growth

3x

Loan
Facilitation
HoH Growth

12x*

IT service
Income Growth

backed by

Reputable investors



3 focused sectors

In-depth industry knowledge



Infra



Medical



Energy

2019 Total AR value: **RMB 3.2TN**

0% NPL*

High growth driven by robust risk management

1.27%*
Provision
Rate

0.76%*
Extension
Rate

15%*
ROE

* Remarks: data as at 30 June 2020

Company Overview

Business Lines



Commercial Factoring



ABS IT Support

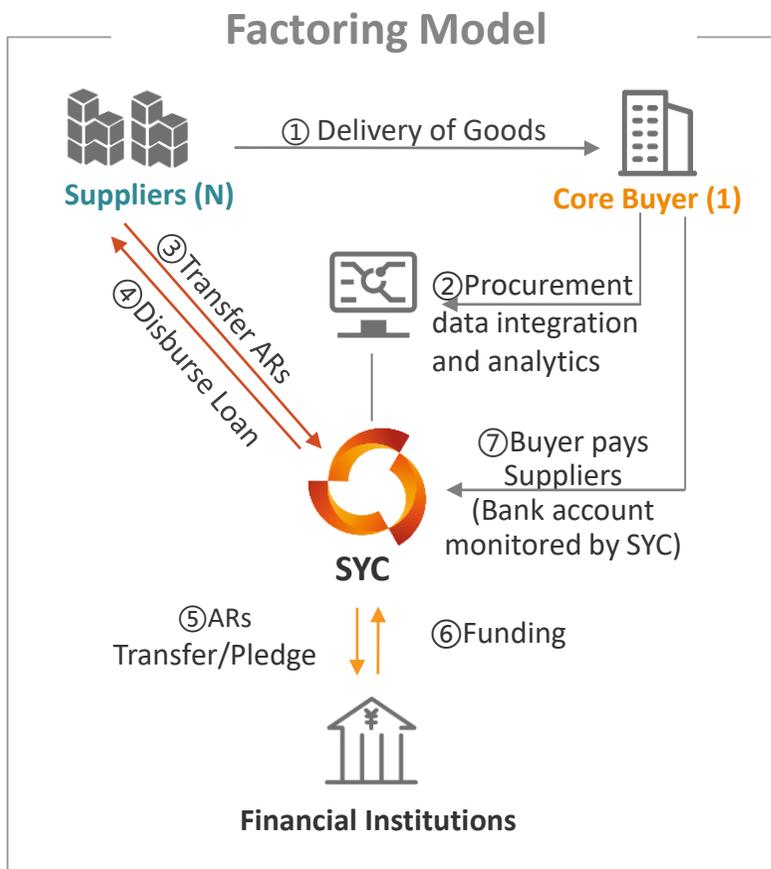


Fintech & New Initiatives



Company Overview

Core Competencies



Sector Focused – Deep Industry Knowledge

 <p>Simple yet Effective “1+N” Model</p>	 <p>Low Customer Acquisition Cost</p>	 <p>Flexible Product Offerings & Efficient Process</p>
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Transaction Focused – Robust Risk Control

 <p>Transaction-based Risk Control</p>	 <p>Multi-dimensional Data Verification Process</p>	 <p>Closed-Loop Bank Account Management</p>
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Fintech Powered – High Efficiency

 <p>37% IT team headcount</p>	 <p>Easy Factoring Proprietary Cloud-based IT System</p>	 <p>Awarded National High-Tech Enterprise</p>
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Company Overview

Data-driven Fintech Capabilities



Integration with core buyers' procurement systems and industry databases



序号	日期	项目名称	项目类型	项目地-省	项目地-市	招标材料	招标单位	招标单位-规范	中标单位	操作
1	2020-06-07	八局装饰海外-橙色...	其他	其它	其它	其它	中建八局装饰公...	中建八局装饰工...	北京总...	详情
2	2020-06-07	二局三西北分公司融...	房建	其它	其它	其它	西北分公司		北京总...	详情
3	2020-06-07	二局三西北分公司融...	房建	其它	其它	模板	西北分公司		陕西总...	详情
4	2020-06-07	新建医科大学新校区...	其他	新疆维吾尔...	其它	其它	中建新疆建工集...		山东总...	详情
5	2020-06-07	新建医科大学新校区...	房建	新疆维吾尔...	其它	钢结构	中建新疆建工集...		中建总...	详情
6	2020-06-07	中建三局西北公司西...	基建	青海省	西宁市	其它	中建三局集团有...	中建三局集团有...	西安千...	详情
7	2020-06-07	中建三局西北公司西...	基建	青海省	西宁市	其它	中建三局集团有...	中建三局集团有...	青海总...	详情
8	2020-06-07	洛阳市孟津县国家家...	其他	河南省	洛阳市	劳务	中建二局北方公...		北京总...	详情
9	2020-06-07	八局-中银-郑东新...	其他	其它	其它	其它	河南分公司		河南总...	详情
10	2020-06-07	八局-中银-郑东新...	其他	其它	其它	其它	河南分公司		郑州东...	详情



Multi-dimensional data cross-check and real-time monitoring



Fintech Capabilities



100% online processing



Procurement data integration



CFCA digital signature



Goods on delivery video verification



Public data monitoring



Block chain



Big Data analytics



Auto pre-screening & customer acquisition



Facial recognition



OCR & NLP documentation processing



Auto pricing model



Account Monitoring

Company Overview

Robust risk management system



Strategic selection of key industries and core buyers/suppliers

Minimize Systematic & Credit/Default Risk

3 Focused Industries

- More resilient to economic cycles

"1" Blue Chip Core Buyers

- Large scale with less risk
- High credibility

+
"N" Qualified Suppliers

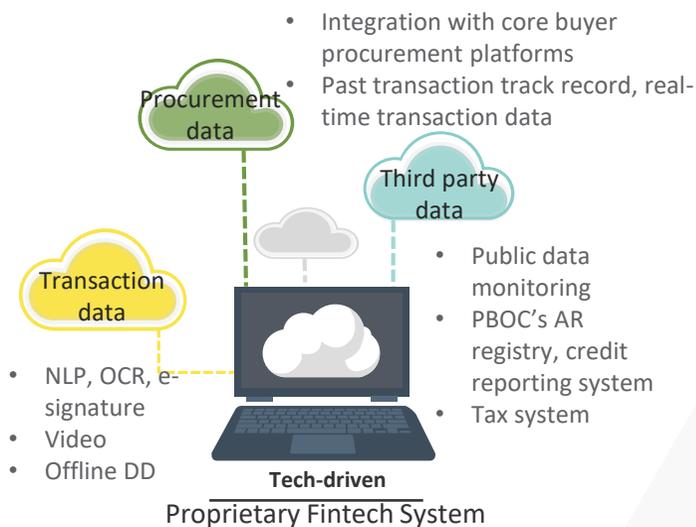
- Continuous operation
- Stable cooperation with core enterprises



Data-driven Transaction Verification

Minimize Fraud Risk

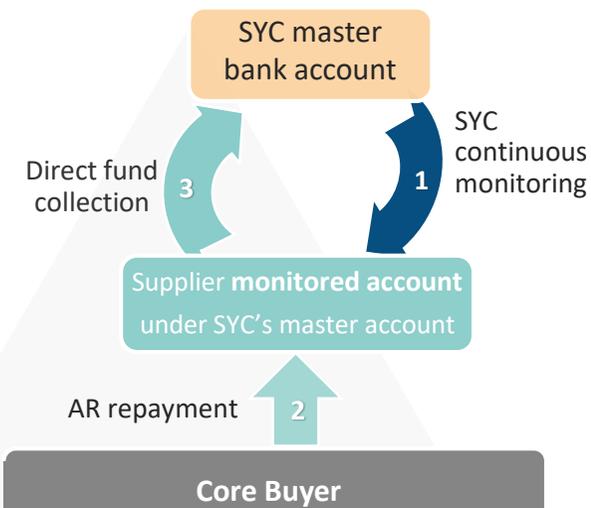
Smart Transaction Verification Process Utilizing Multi-dimensional Data



Control of Fund Flow

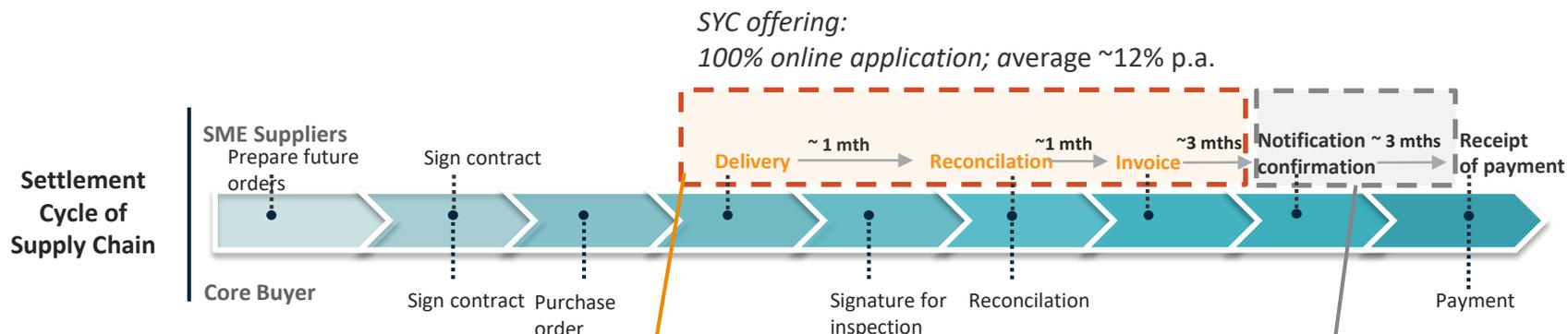
Mitigate Embezzlement Risk

Closed-loop Bank Account Management



Company Overview

We offer flexible and customer-centric products



Data-driven Non-confirmation Factoring

Factoring on
Delivery of goods



Factoring on
Reconciliation & Invoices

- ✓ Transaction focused – sector knowledge and on-site DD
- ✓ Data – oriented to prevent fraud risk
- ✓ Each loan must be backed by authentic AR transfer
- ✓ Diversified and tailored product for SMEs

v.s.

Traditional Confirmation Factoring

Factoring on **Notification Confirmation**

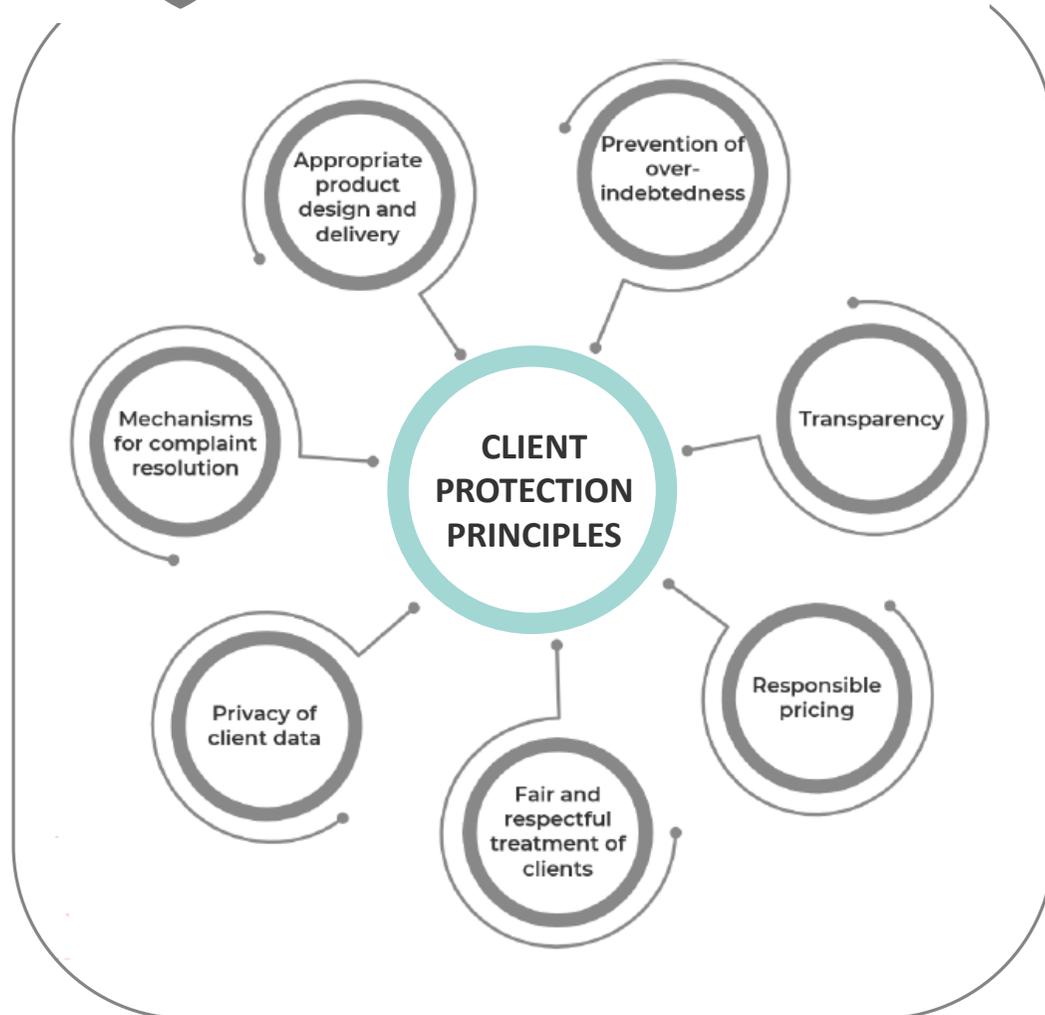
- △ Entity background focused – High entry barrier for SMEs
- △ Fake company seal risk – JD/Cheng Xing Case
- △ Focus on core buyer's credit record
- △ Standardized product with complicated procedures

Company Overview

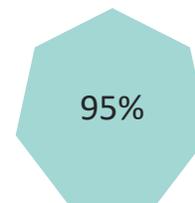
Responsible Inclusive Finance Model



Responsible Inclusive Finance for Financial Services Industry



Support SME Access to Finance, Promote Healthy Financial System



Loan Disbursement to SMEs



Average loan size – catering and supporting SMEs in their working capital needs such as salary payment, especially during covid-19



Collaborating with banks to support SMEs during covid-19; loan extension fee waived

Company Overview

Vibrant and energetic culture rooted in daily operation



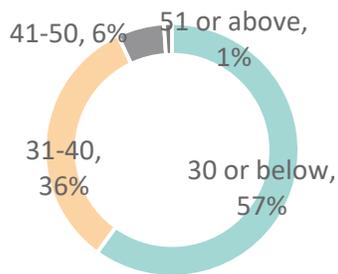
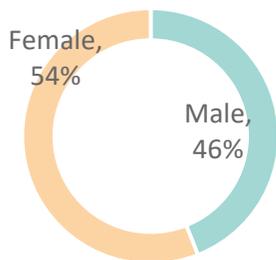
Talent Management

Adequate & Equal Training for Employee Career Growth

Training hour per employee*	
Senior Management	8
Middle Management	16
General	15

* Numbers based on 2019 ESG report

“Age is just a number...”



Data as at 30 Jun, 2020



Diversified Team Building Activities





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Company Overview

Covid-19 Impact and Sector Update

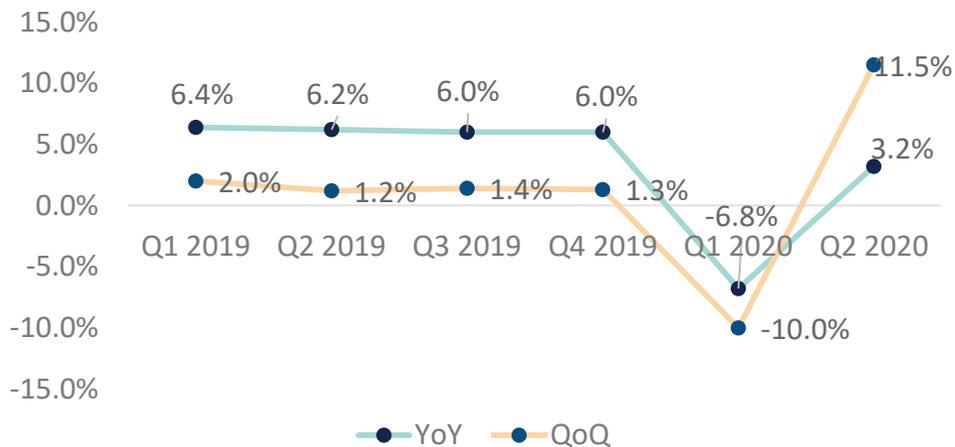
Key Milestones

Financial Highlights

Covid-19 Impact

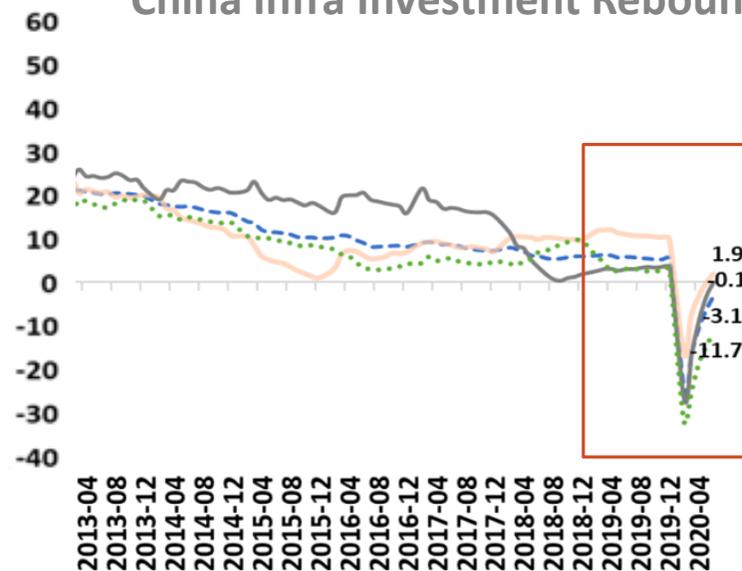
China Economy Recovery

China GDP Growth



Source: National Bureau of Statistics

China Infra Investment Rebounded



Source: WIND、Huaxi Securities Research

- Q2 GDP stronger than expected, underpinned by robust infrastructure demand from state-funded infra projects

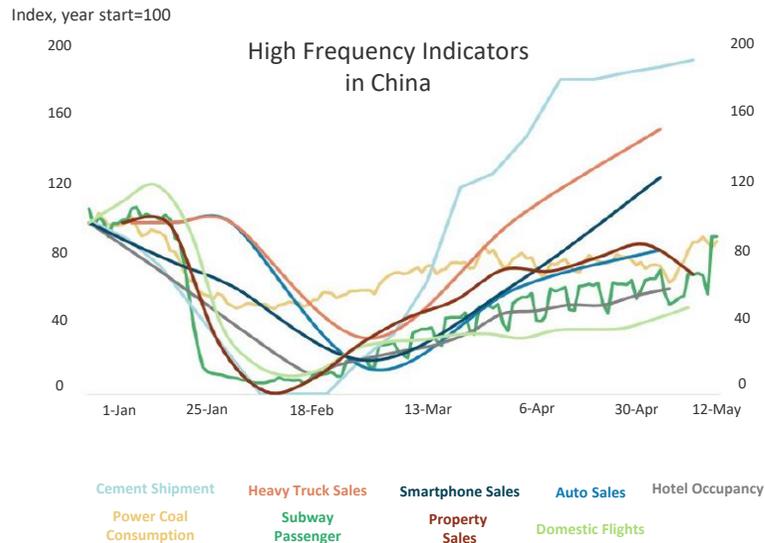
Covid-19 Impact

Resilient Sectors led to Minimal impact

Focused Industry	Supply & Demand	SYC Impact
 Infrastructure	- Traditional low season in Q1, but rebounded in Q2 - Weighting of Hubei clients: low	- Minimal, but cautious in allocation
 Medical	- Increase	- More allocation
 Energy	- Stable	- More demand from FIs seeking for stable yields



China Economy Shows Signs of Recovery



Source: Morgan Stanley research

Policy	Our Impact
Ensuring healthcare industry is efficient	Our medical customers saw an increase in business since the start of Covid-19
Extension of “Real Money” Policy: Reduce corporate tax & unemployment insurance burden	Eases tax and social security burdens of companies in China
Temporary delay of loan/interest repayment	We are working closely with our SME customers to mitigate the burden. Small portion of temporary delay of repayment was observed due to delayed resumption of work, which all managed to complete repayment after resumption in the first quarter of 2020
More push in infrastructure projects	Positive: infrastructure remains a key sector for SYC and we see strong rebound in demand in Q2

Covid-19 Impact

Fintech-powered to serve customers during challenging times



Customers

- **Digitization readiness:** Early digitization investment transitioned the end-to-end operations from offline to online, allowing deals to be conducted as usual
- **Risk control readiness:** Early detection of troubled clients from multiple data source, allowing us to be more prepared



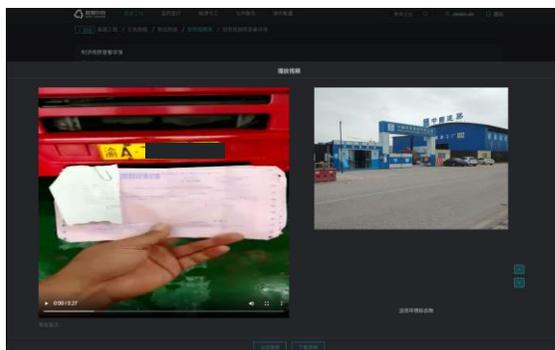
Employees

- **Culture readiness:** Flexibility and agility are ingrained in the culture, helping the company to weather through this volatile time
- **Beyond state-required response:** Early precautions made to procure masks/hand sanitizers for all employees and their families. Swiftly adopting WFH policy/flexible working hours. Closely monitoring employee travel history and daily body temperature.

100% online application



Video Verification



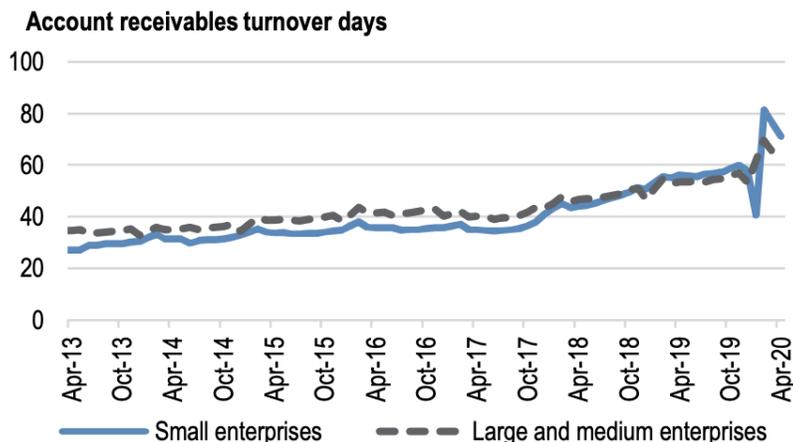
Employee & Customer Care



Sector Update

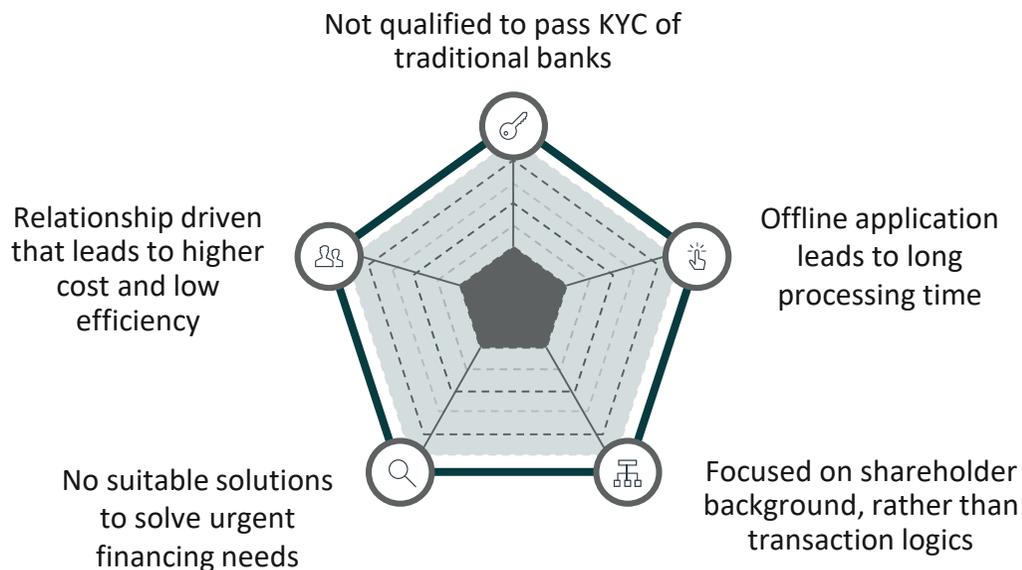
SME pain points

Longer AR cycle for corporates in China



Source: NBS, CEIC, J.P. Morgan.

SME pain points

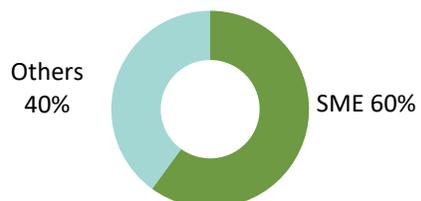


SMEs are the core pillar of China's economy - Tremendous Market potential

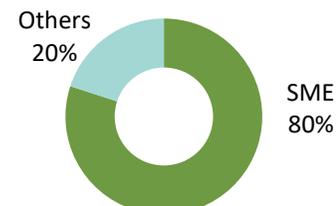
% of tax contribution



% of GDP contribution



% of employment contribution

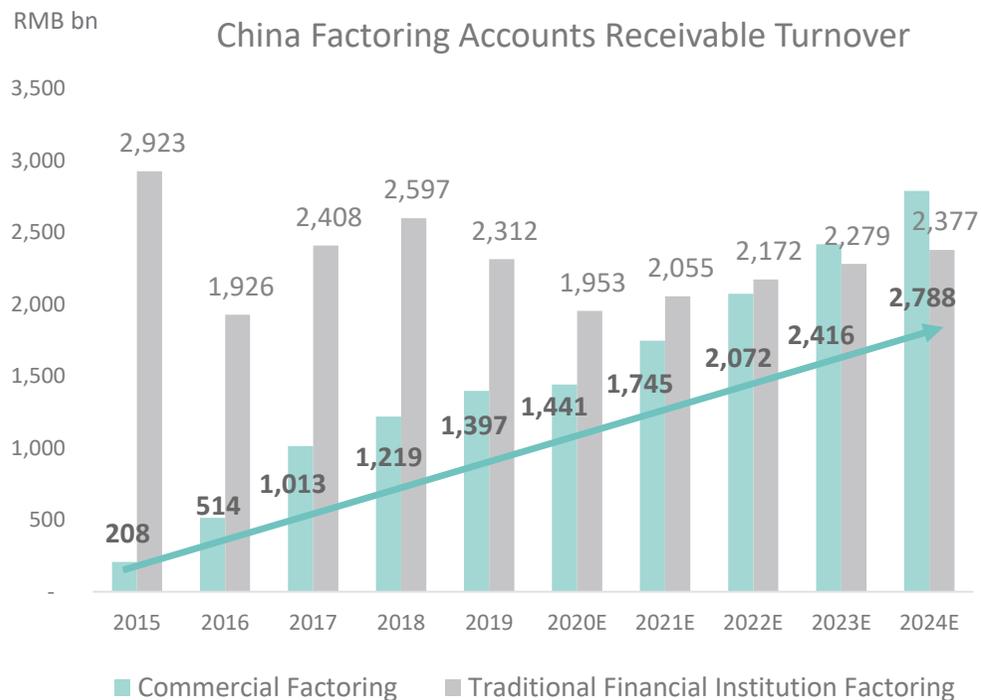


Sector Update

Favorable trend on commercial factoring & our 3 focused sectors

Factoring market driven by commercial factoring

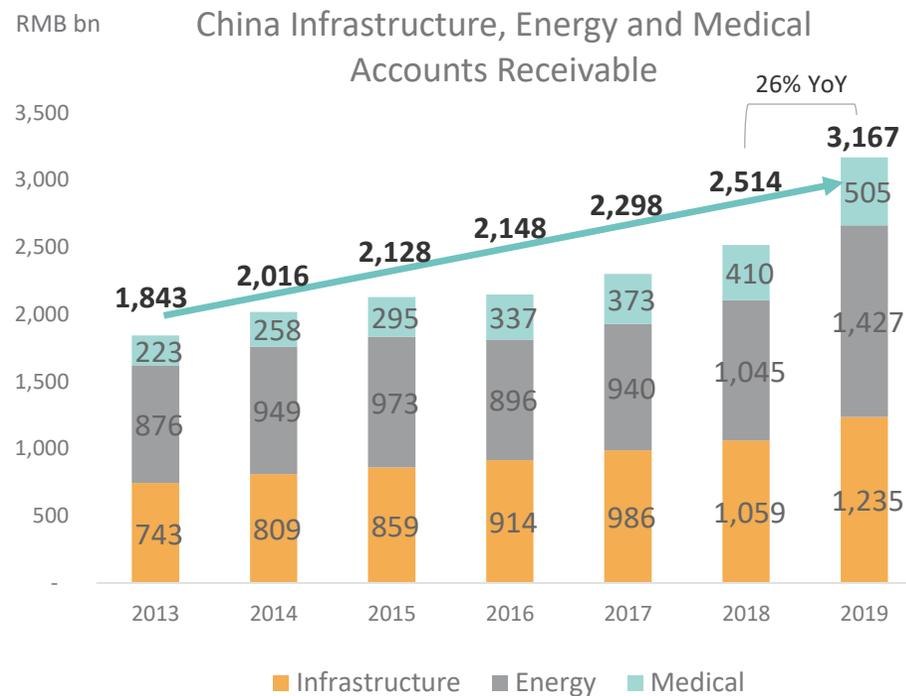
74% CAGR* for commercial factoring turnover



Source: Frost & Sullivan

* 2014-2019 Transferred AR Turnover Growth

Our 3 focused sectors are increasingly important in supporting China's economy



Source: Frost & Sullivan

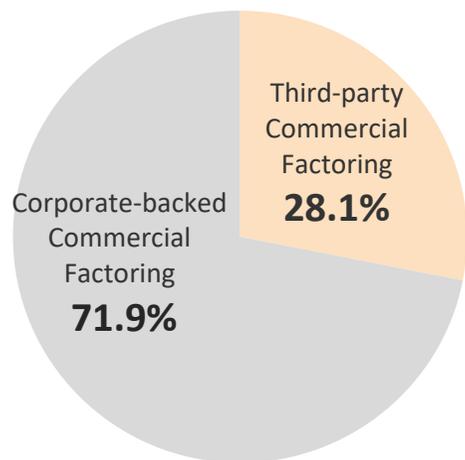
Sector Update

Market leading position



2019 China Commercial Factoring

(turnover)



Total Turnover: RMB 1,396.5 B

Data from Frost & Sullivan analysis

Notice 205's guidance on AR from related parties and a single debtor provides independent third party players opportunities to cooperate with corporate-backed players

Key Area	Sheng Ye Capital	P2P Competitors	Bank-backed Competitors	Corporate-backed Competitors
Funding Capability	Diversified and Flexible	Limited or non-compliant	Strong shareholder backing	Strong shareholder backing
Industry Focus	Focusing on infrastructure, healthcare and energy sectors with deep industrial knowledge	No industry focus (mainly focus on consumer financing segment)	No industry focus	Mainly internal and related-party transactions
Services Flexibility	Comprehensive services throughout the supply chain settlement cycle	Limited offerings	Rigid and traditional; focus on core buyer confirmation	Serve internal needs



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Key Milestones

Favorable policies

22 Oct, 2019

Notice 205 by CBRIC

Notice on Strengthening the Supervision and Management of Commercial Factoring Enterprises (No.[2019] 205)

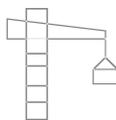


ARs from **related parties** no high than **40%**

ARs factoring from **single debtor** no high than **50%**

Opportunity for independent players such as SY Capital to grab more market share

Mar & Apr, 2020



Huge stimulus investments in infra/new infra projects

Encourage banks to collaborate with Fintech players to support SME supply chain financing



26 May, 2020

Inclusion of Factoring Contract Chapter to the **Civil Code**



A breakthrough and new chapter for growth

- set strong legal foundation for the future development of the factoring industry

Key Milestones

Integrated with PBOC Credit Reporting System and upgraded big data centers

直通央行征信系统 盛业风控体系再升级

原创 盛讯 盛讯 4月29日



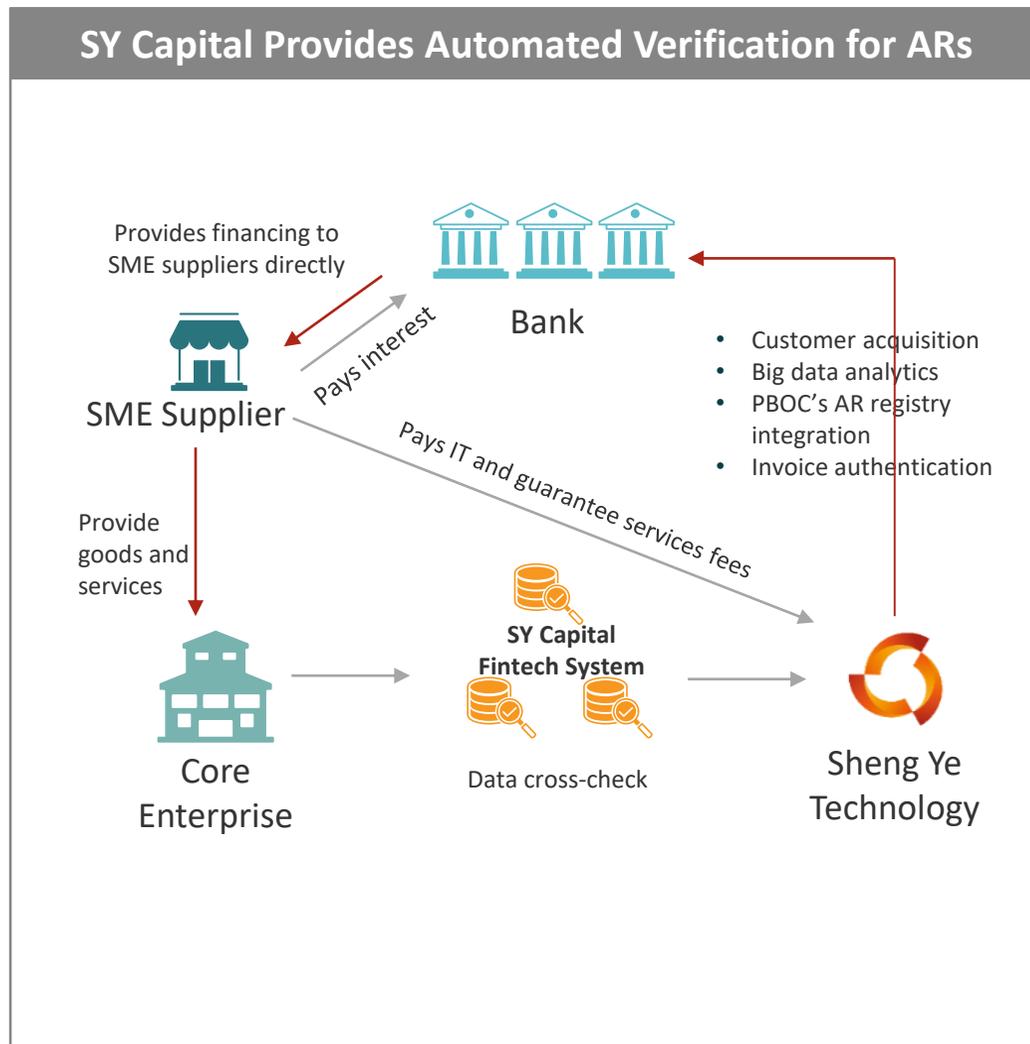
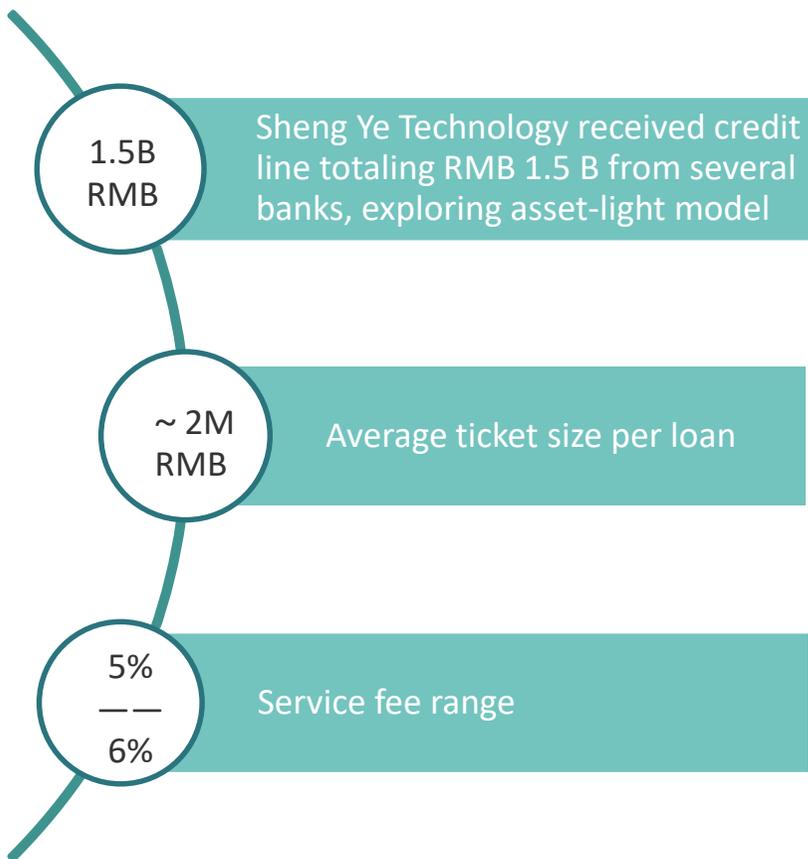
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近日，盛业资本（股份代号：06069.HK）继2019年成功接入中登网（中国人民银行征信中心动产融资统一登记公示系统）后，风控能力再上新台阶，旗下的盛业保理成功接入中国人民银行征信系统（简称人行征信系统）。盛业资本将能与全球最大规模征信系统实现数据直连，获取中小微企业客户征信情况。此突破有助于盛业进一步提高对于应收账款风险的核查效率，强化风控机制；更使得中小微企业客户不用再亲自携带各类证件及相关材料到征信中心现场获取征信报告，免去客户奔波辛苦，客户融资效率及体验将得到大幅提升。在此，**作为行业领先企业，盛业资本是为数不多被正式准入人行征信系统的商业保理公司。**



Key Milestones

SME loan facilitation powered by Fintech



Key Milestones

Singapore digital wholesale banking license application

Temasek-backed firm leads consortium to vie for digital wholesale bank licence

HK-listed Sheng Ye Capital teams up with PhillipCapital and Advance.AI in the consortium to build a data-driven "next generation" digital wholesale bank

MON, JAN 06, 2020 - 5:50 AM

VIVIEN SHIAO

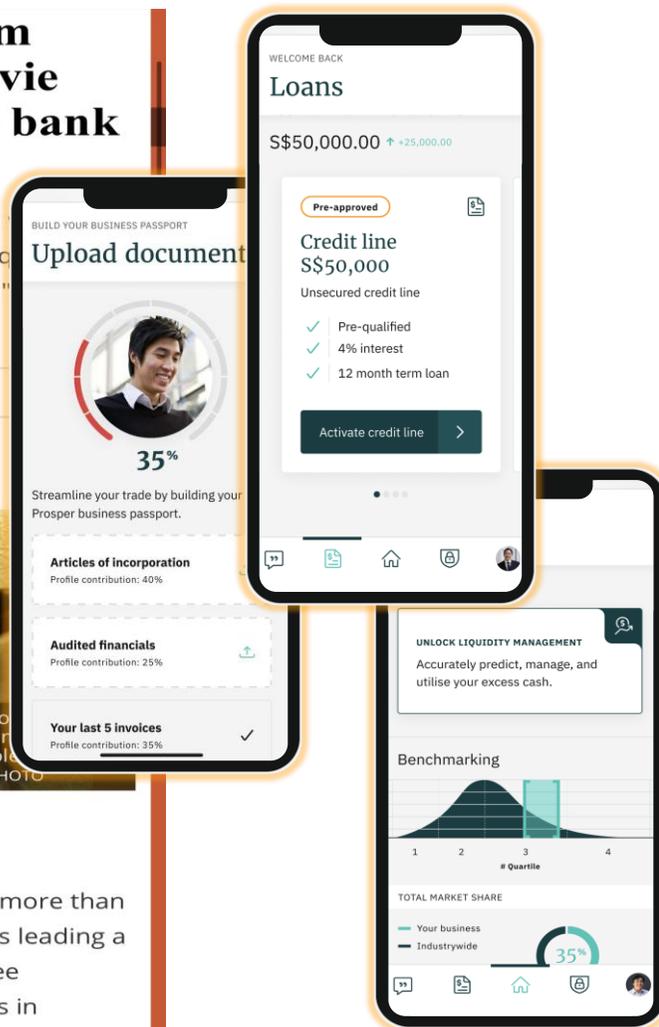


Temasek-backed Sheng Ye Capital, with more than S\$1 billion in market capitalisation, is leading a consortium to vie for one of the three digital wholesale bank licences up for grabs in Singapore. ST FILE PHOTO

Singapore

A TEMASEK-BACKED company, with more than S\$1 billion in market capitalisation, is leading a consortium to vie for one of the three digital wholesale bank licences up for grabs in Singapore.

Remarks: report by Business Times



Explore Southeast Markets

High growth potential in Southeast markets:

- Asean population: 654 M¹
- GDP: US\$3,173 B¹

Remarks:

1. Data as of Jul, 2020, World Bank

Application of Digital Wholesale Banking License, consortium member include:

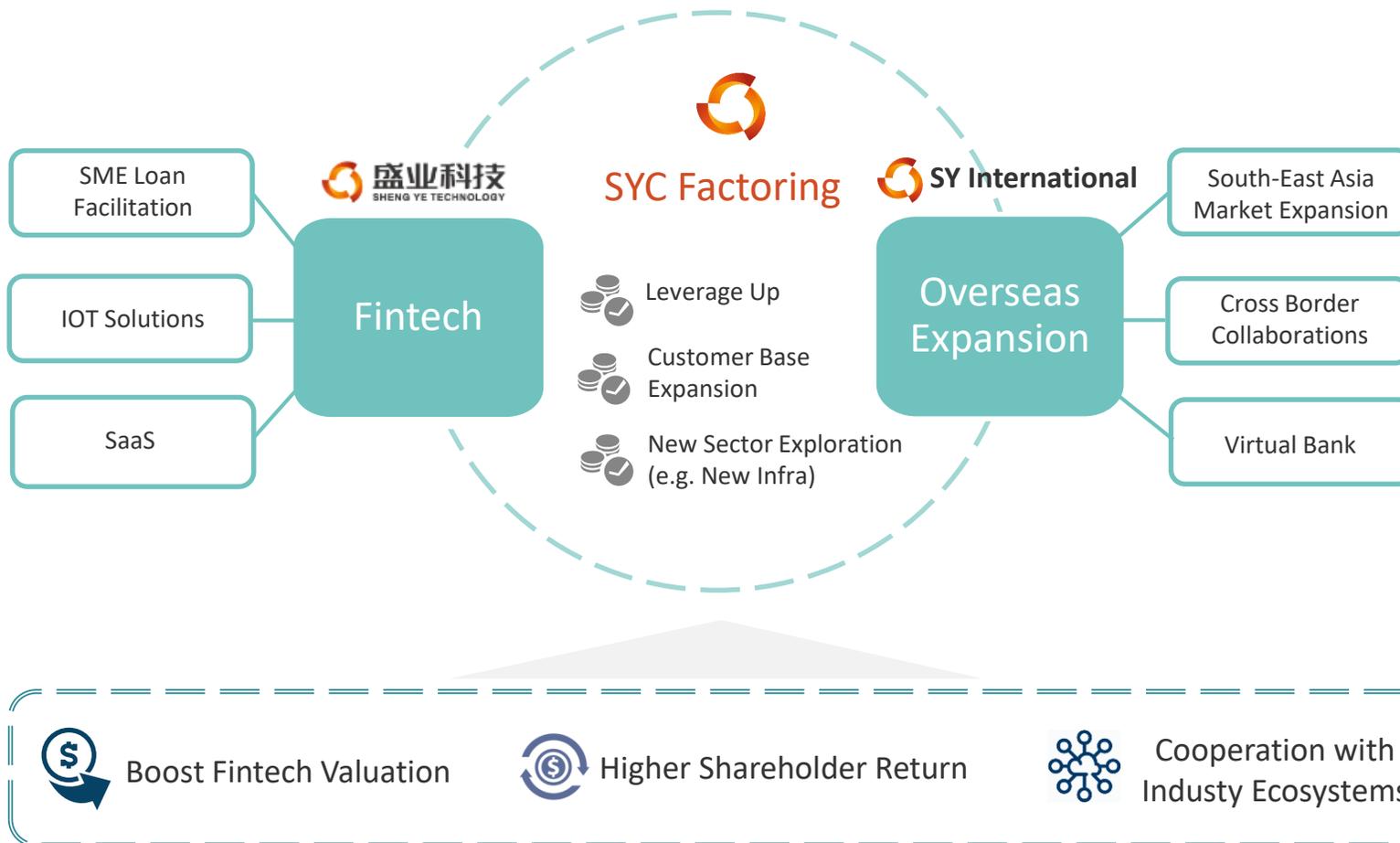


Future Plan

One Core, Two Wings strategy to drive further growth momentum



Remain high growth over next 3-5 years





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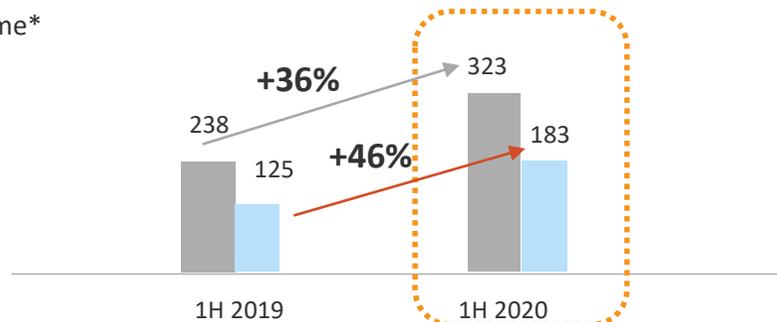
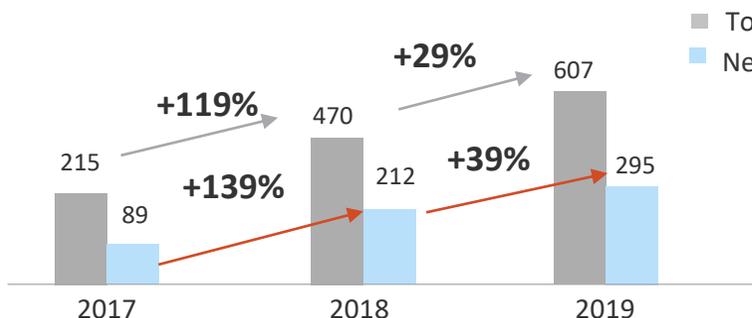
Continued high growth with little impact from macro weakness



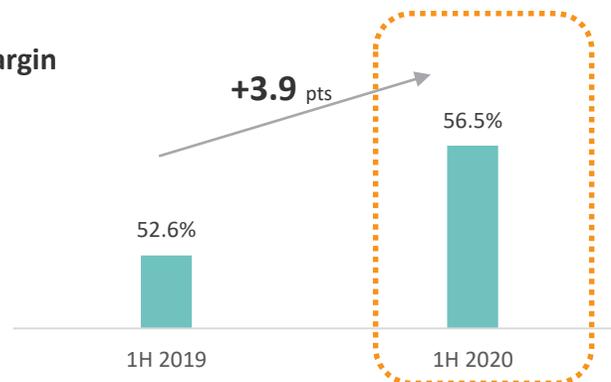
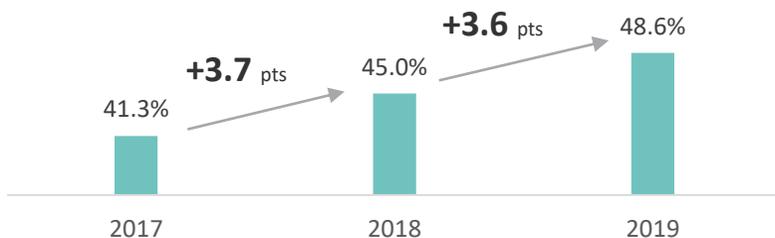
Stellar 1H 2020 results spurred by continued strong commercial factoring demand

Charts in RMB millions

Total income & net profit



Net profit margin



*Total Income = Interest Income from Factoring Services + Income from Other Services + Gains on Sale of Factoring Assets

Financial Update

Mitigated credit risk even during uncertain time



Robust Risk Control Framework Led to Minimal Credit Risk

	2017	2018	2019	1H 2019	1H 2020
NPL	0% since inception				
Extension %	0.57	0.45	1.73	2.22	0.76
Provision %	1.24	1.21	1.19	1.21	1.27

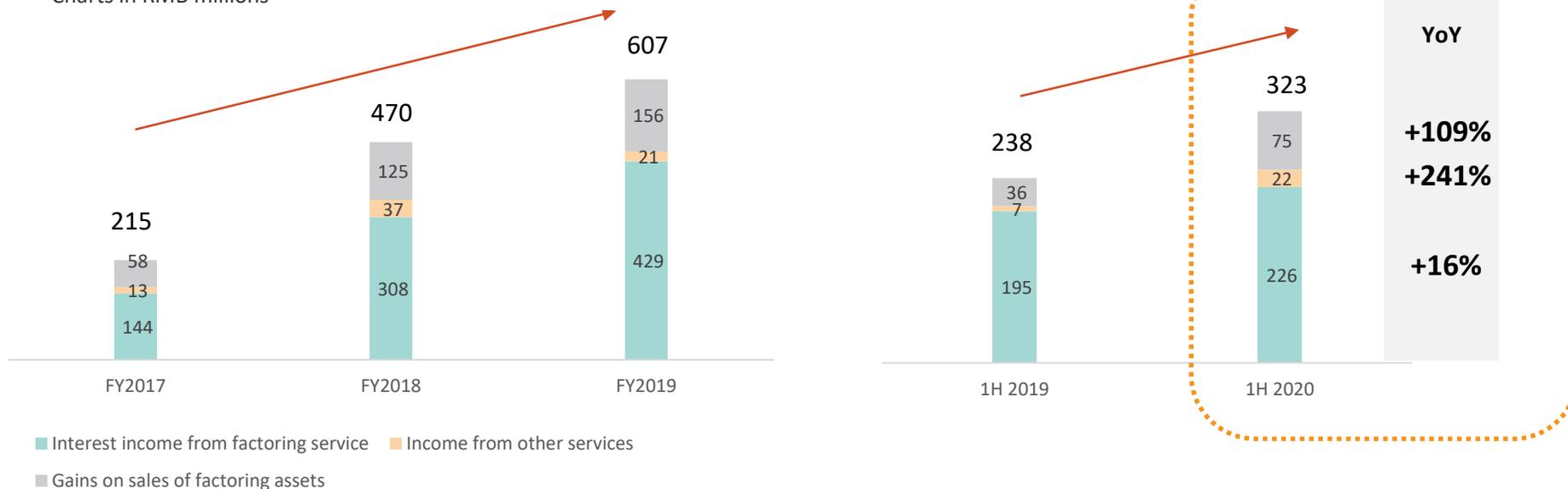
Note:

- Waived extension fee during uncertain time to help SMEs with working capital needs
- Extension rate increased in 1Q 2020 due to uncertainties caused by Covid-19, but returned to normal level by 2Q 2020 as China economy resumes back to work
- Provision rate increased in 1H 2020 to account for increased macro uncertainty

Financials

Robust revenue growth driven by strong demand

Charts in RMB millions



Interest Income from Factoring Services

- 1H saw surging demand in medical sector, while allocated more resources to energy sector
- Infrastructure project delayed in 1Q, but resumed back to normal by the end of 2Q

Income from Other Services

- Loan facilitation income reached RMB7.9m, up > **3x** from 2H 2019 when it started, this includes guarantee, IT and AR management services
- Facilitation of ABS issuance of large corporations totaled RMB9.3m, YoY **600%**

Gain on Sales of Factoring Assets

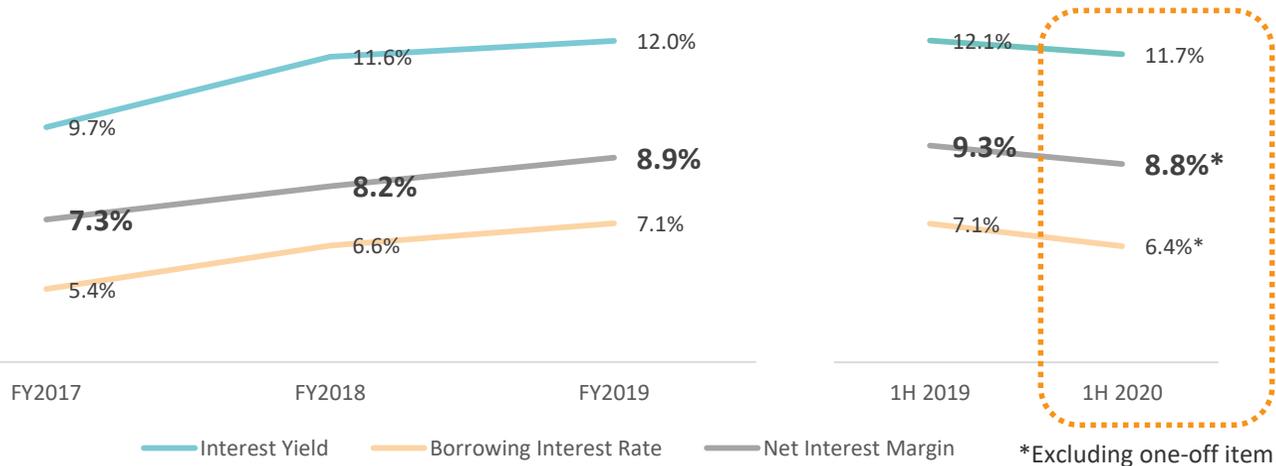
- Enhanced capital turnover to support increasing customer financing demand
- Total factoring assets sold in 1H 2020 was RMB1.2 bn, made a gain of 6%

Financials

Net interest margin steady and remained healthy

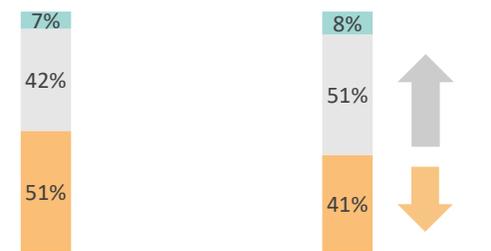


Interest yield down on product/sector mix change
Borrowing interest rate down on lower interest rate environment

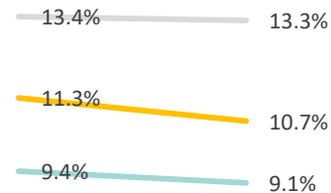


Higher mix in lower-yield medical sector
Lower mix in higher-yield infrastructure sector

Sector Mix*



Sector Yield



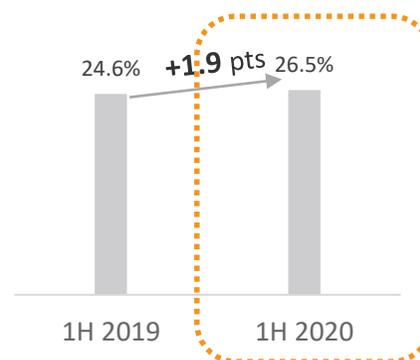
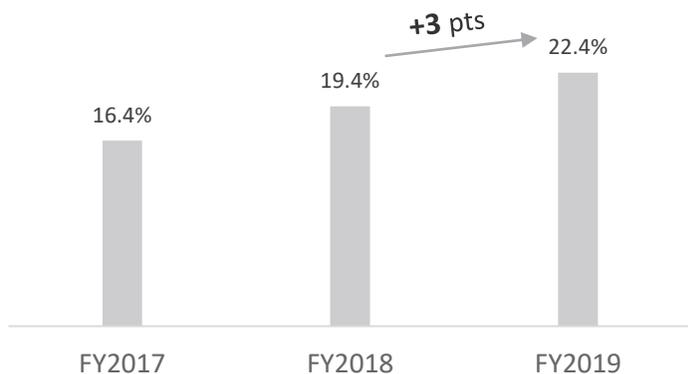
- Based on loan disbursement
- 1H20 loan disbursement amounted to RMB6.5 B

Infrastructure Energy Medical

Financials

High-growth phase: R&D investment and recruit talents

Operational-cost-to-income*



Growth rate of operational-cost-to-income flattened

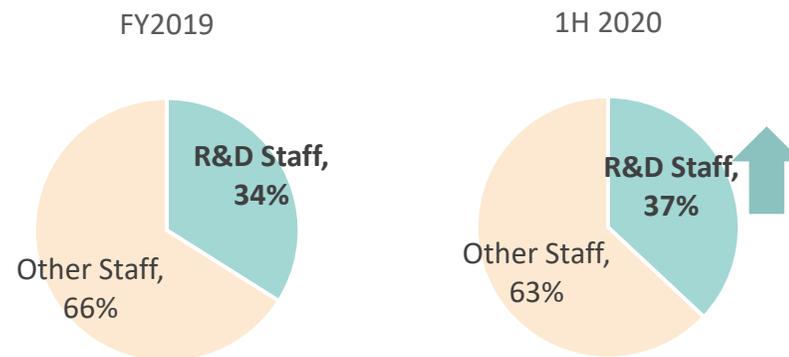
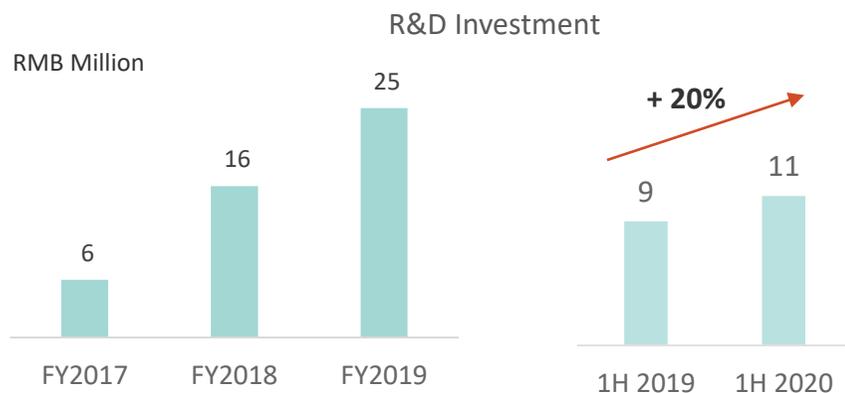
*Excluding one-off item



Amp up fintech capabilities



Hiring more fintech talents



Financials

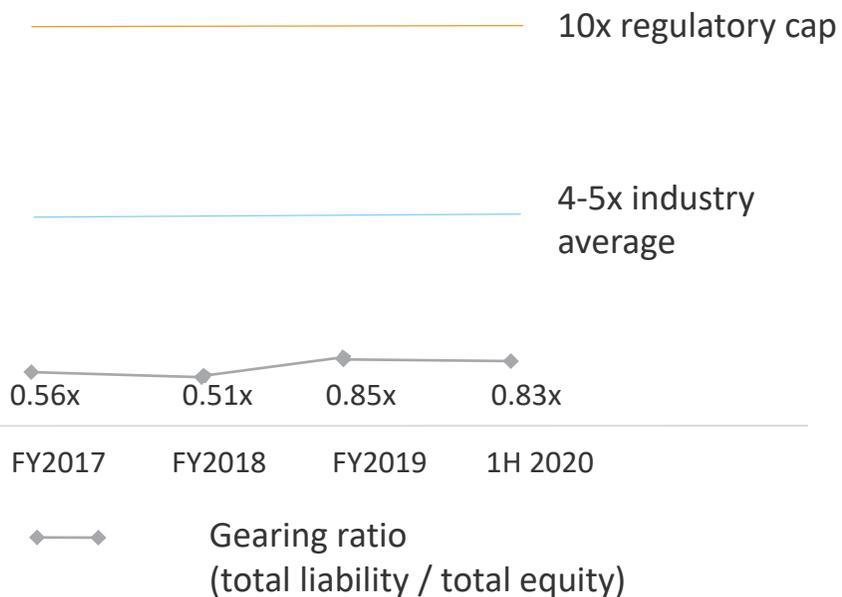
Potential in Leverage Up & Diversification of Funding Channels



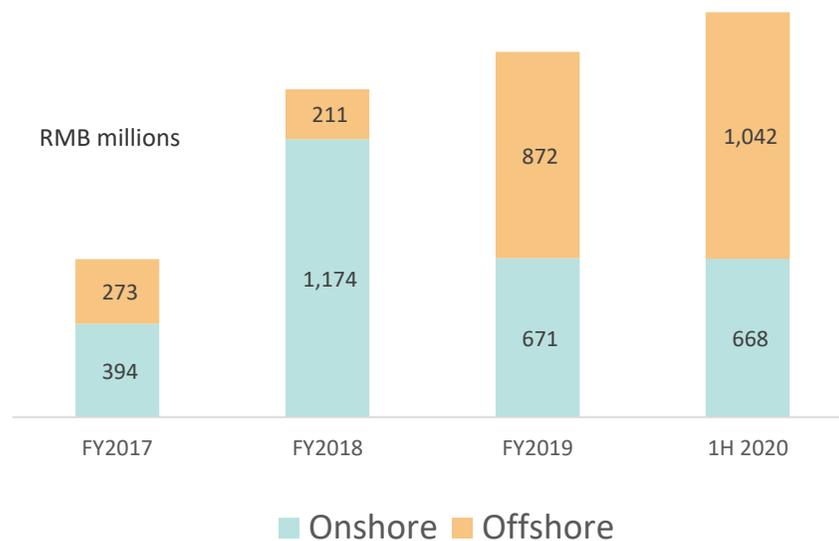
Huge Potential Once Leveraged Up



Able to Attract Diversified Funding Channels



Mix of daily average borrowing



Financials

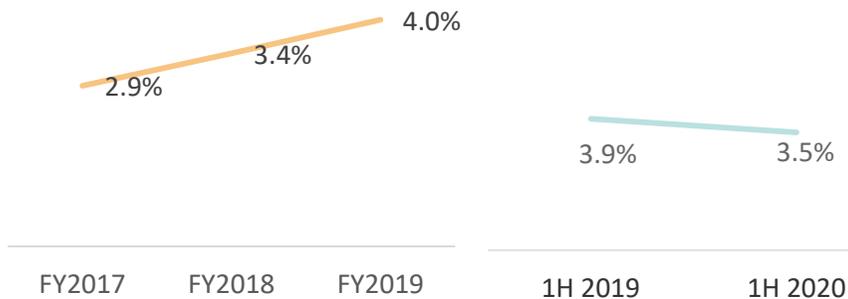
Solid Shareholder Return

 **Solid Return Profile, Fintech to Drive Further Growth**

ROE (excl. one-off expense)

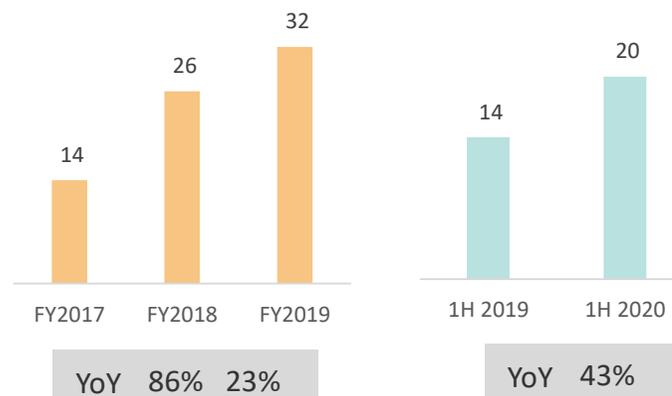


R&D % of Income

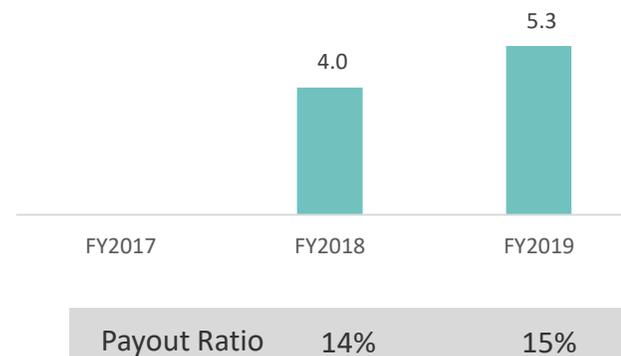


  **Generating Solid Return for Shareholders**

Basic EPS (RMB cents)



Dividend (HK\$ cents)



THANKS



Room 4202, 42/F, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong
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A Data-Driven Supply Chain Financial Services Provider

Email: ir@shengyecapital.com

Appendix

Concise P&L

	FY19 RMB'000	1H19 RMB'000	1H20 RMB'000	1H20 YoY
Revenue				
Interest income from factoring service	429,214	195,085	226,130	15.9%
Income from other services	21,207	6,523	22,245	241.0%
Total revenue	450,421	201,608	248,375	23.2%
Gains on sales of factoring assets	156,242	35,928	75,105	109.0%
Income from factoring and other services	606,663	237,536	323,480	36.2%
Staff costs	(69,583)	(28,199)	(44,562)	58.0%
Other operating expenses	(88,622)	(31,364)	(43,392)	38.3%
Finance costs	(110,606)	(45,226)	(64,317)	42.2%
Profit before taxation	362,492	160,150	213,505	33.3%
Taxation	(67,367)	(35,255)	(30,846)	-12.5%
Profit for the period	295,125	124,895	182,659	46.3%
Effective Tax Rate	18.58%	22.01%	14.45%	-7.6 pts
Profit for the period attributable to:				
Owners of the Company	280,343	118,756	179,210	50.9%
Non-controlling interests	14,782	6,139	3,449	-43.8%
Earnings per share				
Basic(RMB cents)	32	14	20	42.9%
Key Items in Notes:				
Income from Other Services	21,207	6,523	22,245	241.0%
Guarantee Services	9,155	3,489	5,500	57.6%
IT Services	8,355	991	12,992	1211.0%
Consulting Services	611	504	-	-100%
Other Services	3,036	1,539	3,753	143.9%
Dividend:				
Dividend per share (HK\$ cents)	5.3	-	-	-

Appendix

Concise Balance Sheet

Key Balance Sheet Items	As at 31 Dec 2019 RMB'000	As at 30 Jun 2019 RMB'000	As at 30 Jun 2020 RMB'000	1H20 YoY
NON-CURRENT ASSETS				
Intangible assets	19,960	17,912	19,504	8.9%
Right-of-use assets	22,147	7,781	24,296	212.2%
Investment in a joint venture	-	25,815	-	-
Investment in associates	67,580	54,411	140,748	158.7%
Total Non-Current Assets	130,619	129,365	207,743	60.6%
CURRENT ASSETS				
Financial assets at FVTPL	4,497	4,700	48,268	927.0%
Factoring assets at FVTOCI	3,837,348	3,619,294	3,947,696	9.1%
Pledged bank deposits	86,350	51,862	175,552	238.5%
Bank balances and cash	377,327	168,961	211,448	25.1%
Total Current Assets	4,348,555	3,878,283	4,446,660	14.7%
Factoring asset / total asset %	86%	90%	85%	-5 pts
CURRENT LIABILITIES				
Other payables and accrued charges	73,740	41,729	86,424	107.1%
Income tax payable	29,682	33,238	33,653	1.2%
Borrowings	1,867,299	1,473,925	1,748,456	18.6%
Bank overdrafts	17,864	17,593	16,505	-6.2%
Total Current Liabilities	2,010,279	1,748,101	2,044,587	17.0%
NET CURRENT ASSETS	2,338,276	2,130,182	2,402,073	12.8%
NON-CURRENT LIABILITIES	50,835	25,785	67,489	161.7%
NET ASSETS	2,418,060	2,233,762	2,542,327	13.8%
CAPITAL AND RESERVES				
Share capital	7,636	7,623	7,642	0.2%
Reserves	2,281,363	2,107,048	2,422,520	15.0%
Non-controlling interests	129,061	119,091	112,165	-5.8%
TOTAL EQUITY	2,418,060	2,233,762	2,542,327	13.8%

Appendix

Key Metrics & Ratios

	FY2019	1H2019	1H2020	1H2020 YoY
Daily Averages (RMB'000)				
Factoring asset balance	3,577,502	3,228,775	3,859,834	19.5%
Borrowings	1,542,370	1,256,544	1,709,545	36.1%
Loan Disbursement	12,653,164	4,911,947	6,516,242	32.7%
Operational KPIs (using daily averages)				
Net profit margin	48.6%	52.6%	56.5%	3.9 pts
Interest yield from factoring services	12.0%	12.1%	11.7%	-0.4 pts
Borrowing interest rate(excl. one-off expense)	7.1%	7.1%	6.4%	-0.7 pts
Net interest margin(excl. one-off expense)	8.9%	9.3%	8.8%	-0.5 pts
Operational cost to income	22.4%	24.6%	26.5%	1.9 pts
Return Ratios				
ROE (excl. one-off expense)	14.0%	11.6%	14.9%	3.3 pts
ROA (on factoring assets)	8.9%	7.8%	9.4%	1.6 pts
ROA (on Total Assets)	7.7%	6.9%	8.0%	1.1 pts
Balance sheet Ratios (as of end balance)				
Total asset / total equity	185%	179%	183%	4.0 pts
Total asset / Total liability	217%	226%	220%	-6.0 pts
Gearing ratio: Total liability/Total equity	85%	79%	83%	4.0 pts

Appendix

Vintage M1 / M2 / M3 (extension % based on loan disbursement)

Vintage M1

	1-30 days overdue % over the quarter of loan disbursement										
	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2
17Q4	0.08%	0.03%	0.10%								
18Q1		0.15%									
18Q2			0.05%								
18Q3											
18Q4					0.54%	1.41%	2.37%				
19Q1						1.09%			0.44%		
19Q2							0.18%				
19Q3								1.35%	0.54%		
19Q4									0.84%	0.29%	0.06%
20Q1										0.31%	0.51%
20Q2											

Vintage M2

	31-60 days overdue % over the quarter of loan disbursement										
	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2
17Q4	0.29%	1.54%									
18Q1				0.06%							
18Q2											
18Q3						0.03%					
18Q4							0.21%				
19Q1						0.01%					
19Q2											
19Q3									0.10%		
19Q4										0.29%	0.03%
20Q1										1.28%	0.05%
20Q2											0.26%

Vintage M3

	61-90 days overdue % over the quarter of loan disbursement										
	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2
17Q4		0.03%									
18Q1			3.16%								
18Q2				0.01%			0.03%				
18Q3											
18Q4						0.04%	0.08%				
19Q1							1.07%				
19Q2											
19Q3											
19Q4											
20Q1											
20Q2											

Appendix

ECL Model

Underlying Logic

- **Key Metrics:** Assessment based on type of factoring (traceable/non-traceable), customer's historical performance of repayment, business nature of buyers, status of assets.
- **International Credit Rating Database:** Use the data from Moody's credit rating database and adjust default rate according to China's macro economy environment.
- **Single Asset Evaluation:** Evaluate expected credit loss based on factors including status of loan (overdue/extension) and whether there is collateral.
- **Continuous Monitoring and Monthly Provision:** Keep track of the status of each asset with monthly provision to ensure status of the asset is reflected in time.
- **Five Categories of Asset Classification and Three Stages of Asset:** Based on the classification method of 5 grades by People's Bank of China, we further classify assets into 3 grades, namely normal, suspicious and loss.

Provision rate of each factoring asset
= probability of default x loss probability



Condition	Five Categories	Three Stages	% of Provision*
Overdue or extension less than 30 days	Normal	Normal	1.22%
Extension 31 - 90 days or overdue less than 90 days	Concern	Suspicious	16.10%
Extension over 91 days	Secondary	Loss	N/A
Overdue 91 - 180 days	Suspicious	Loss	N/A
Overdue over 181 days	Loss	Loss	N/A
Overall			1.27%

*Remarks: data as at 30 June, 2020

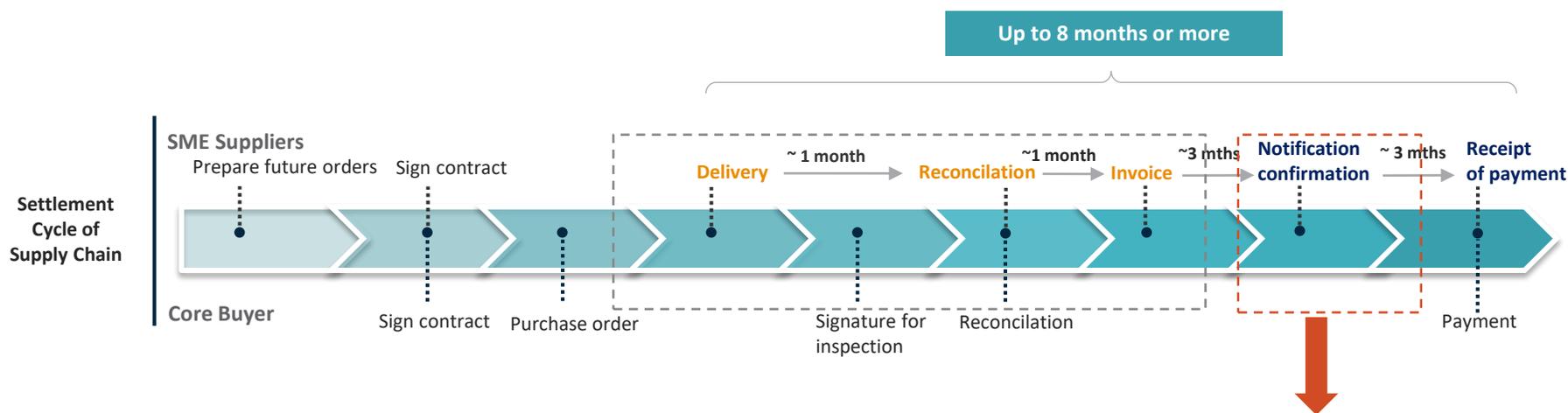
SY Capital Addresses SME's Financing Pain Points

What Problem are we solving?

SME pain points:



1. Substantial amount and long repayment cycle of ARs deteriorates cash flow



3. Early stage and urgent funding needs underserved;

1. Urgent funding needs underserved as it takes a long processing time for loan application and approval
2. Bank factoring product offering mostly covering the later stages of settlement cycle – early stage funding needs underserved

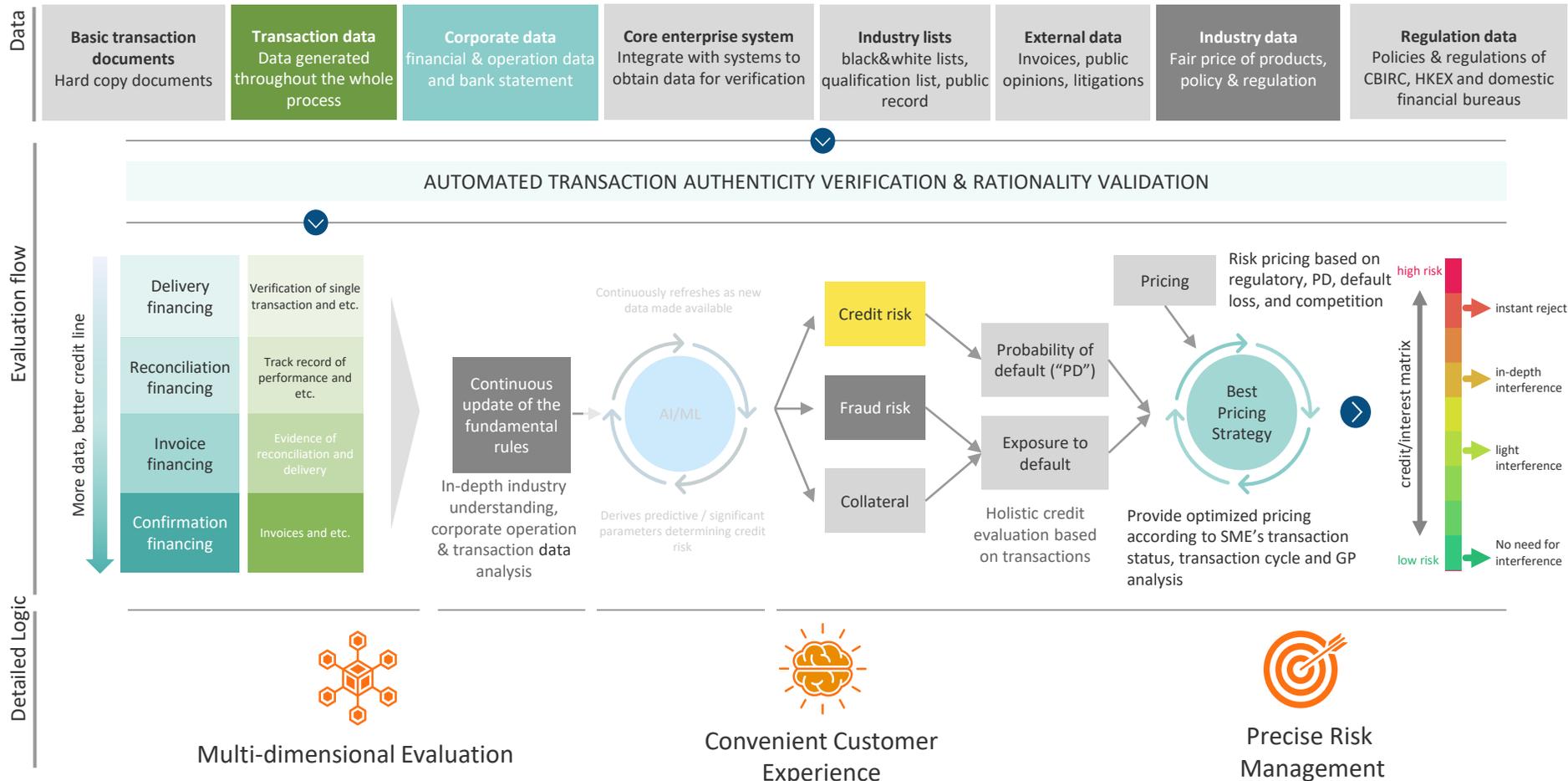


2. Difficulties in obtaining bank facilities

1. Complicated KYC procedures - lack of qualification to pass high entry requirements set by the banks
2. Bank factoring product offering mostly based on confirmation from core buyers – difficulty in obtaining confirmation due to low bargaining power

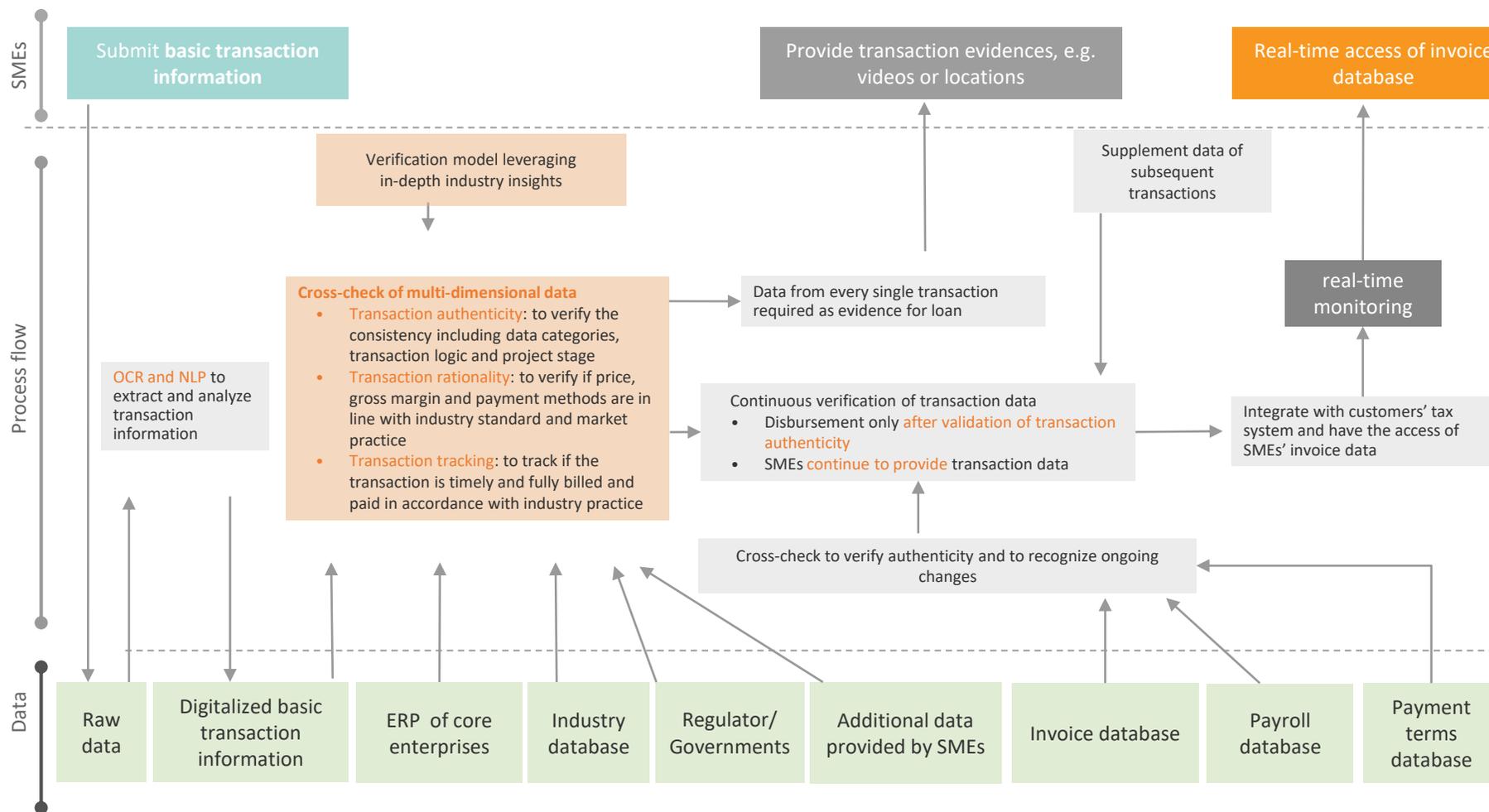
Robust Risk Management System

Risk Assessment Model



Robust Risk Management System

Roadmap for Loan Approval



Management Team

Experienced Management Team



**Tung Chi Fung,
Jeff**
Chairman and
Executive Director

- Jeff is the founder of SY Capital
- Jeff has extensive knowledge and experience in strategic planning, business development and operational management
- He also holds various positions in different social and charity groups



**Chen Jen-Tse,
Jerry**
Executive Director

- Jerry has over 19 years of experience in the factoring industry
- Prior to joining the Group, he held various positions in different financial institutions



**Lo Wai Hung,
Ivan**
Chief Financial
Officer

- Ivan has approximately 30 years experience in financial accounting
- Member of HKICPA
- Associate member of ICAA



**Yuan Ye,
Aaron**
Chief Strategy
Officer

- Aaron has extensive experience in the capital market and profound knowledge in fintech, logistics, e-commerce and commercial services
- He was ED of Olympus Capital Asia with AUM exceeding US\$2 bn



**Wang Zheng,
William**
Company Secretary

- William has extensive experience in legal, regulatory and compliance
- Associate of the ICSA and HKICS



**Hao Yaxin,
Cindy**
Chief Risk Officer

- Cindy has sound knowledge in risk management, finance and big data
- She took the lead in building comprehensive risk models and monitoring systems of SY Capital



**Li Xing,
Ronald**
Chief Technology
Officer

- Ronald has over 16 years of IT experience in finance industry
- Before joining the Group, he held positions of R&D Director and CTO in various companies



**Wang Lu,
Snow**
Head of Product

- Snow has 14 years' experience in product and technology development
- Prior to joining the Group, she held various positions in the supply chain financing sector

Management Team

Independent Non-executive Directors



Hung Ka Hai

INED

- Mr. Hung is the former Chairman of Deloitte China
- He was appointed as an expert consultant by the Ministry of Finance of PRC



Loo Yau Soon

INED

- Ten Outstanding Young Persons of The World award for 2013-2014 by JCI.
- Former CEO of Brunei Economic Development Board



Tsoon Wai Mun

INED

- Founder of fintech platform Fundnel
- Former M&A executive in Pavilion Energy Management Pte Ltd.



Fong Heng Boo

INED

- Former Assistant Auditor General at Auditor General's office of Singapore