

[Press Release]



Sheng Ye Capital Announces 2021 Interim Results *Platformisation in full force on all fronts*

Hong Kong, August 26, 2021 – Sheng Ye Capital Limited (“SY Capital” or the “Company”, stock code: 6069.HK), an industry focused supply chain fintech platform, and its subsidiaries (collectively the “Group”), announced its unaudited interim results for the six months ended 30 June 2021 (the “Period”).

By driving growth in industrial technology and digital finance innovation under its “Dual-Engine, One-Platform” strategy, the Group maintained its solid track record of growth and profitability during the Period, achieving an adjusted net profit of RMB144 million excluding gains from changes in fair value of investments in equity tranche for the Period. The Group’s total cumulative platform assets increased by 39%. Total cumulative platform users increased by 72% to over 8,200 as compared to that as of 30 June 2020 while daily average balance of factoring assets increased by 22% to RMB5.2 billion over the same period last year.

By combining industrial technology solutions and digital finance to drive expansion, the Group achieved RMB23.3 million of income from platform-based services for the six months ending 30 June 2021, an increase of approximately 39% year-on-year. Within this, income from loan facilitation services approximately tripled over that of the same period last year.

Creating a smart supply chain service ecosystem unlocks more value

With the increase in digitalization and adoption of smart technologies, SY Capital has stepped up its research and development efforts and technological deployment. The Company has been constantly developing innovative new software-as-a-service (“SaaS”) and Internet of Things (“IoT”) technologies which not only facilitate the digital transformation and increase the operating efficiency of various industrial supply chains, but also enable the Group to increase its customer stickiness.

Over the years, SY Capital has also developed numerous funding channels, positioning itself as a one-stop solutions provider within the growing supply chain ecosystem while supporting the development and financing of small, medium, and micro enterprises (“SMEs”), helping them overcome the high entry barriers and limited access to funding by matching them to appropriate funding providers. As of 30 June 2021, the Company’s total number of funding

partners rose to 62, representing an increase of 82% year-on-year.

Industrial technology paves the way for robust growth

Since the start of 2021, SY Capital has been accelerating its initiatives within the industrial SaaS and hospital supply, processing and distribution (“SPD”) sectors.

In July 2021, the Group signed a cooperation agreement with Tencent Cloud for establishing a "Smart Construction + Digital Supply Chain" platform and accelerate the development of the industrial IoT (“IIoT”) ecosystem. This initiative will also empower businesses within the construction sector with intelligent and innovative applications so that they may better manage costs, materials, construction progress, suppliers, and supply chain finance.

As part of its expansion efforts within the industrial technology space, SY Capital is also proactively evaluating strategic investments across its supply chain fintech platform. In June 2021, the Company invested in Shanghai-based leading consumer healthcare SaaS provider LinkedCare as part of its series D funding round. A strategic collaboration was also signed in addition to the investment, enabling the Group to further unlock operating synergies within the fast-growing dental and medical aesthetics industry. In August 2021, together with Tencent Venture, SY Capital completed an investment into Mengcheng Technology, a leading SaaS provider of engineering management solutions, as part of capitalizing on the rapid digitalization of the infrastructure segment.

These investment initiatives and partnerships with reputable industry players attests to SY Capital’s reputation and track record in providing IIoT expertise and its supply chain fintech capabilities, setting a solid foundation for its future growth in the industrial technology space.

Corporate sustainability and a people-centric culture remains a top priority

SY Capital continues to be active in its commitment to social responsibility. During the first half of 2021, the Company launched a new public welfare program, *Sheng Ye Light*, which embodies the power and vitality of “light”. As part of this program, gift packs were prepared and distributed to the under-privileged local communities in Shenzhen during the Chinese New Year holiday. In July 2021, SY Capital also made a donation to the Red Cross of Zhengzhou in response to natural disasters caused by heavy downpours in Zhengzhou, Henan.

Other social impact activities undertaken by the Company included participation in the "E.G.G. Walkathon" fundraising charity walk to improve the food security of poor children in remote areas of China; donation to the Tianjin Binhai New Area Charity Association to help alleviate poverty in the rural areas; co-organizing the "2021 Sheng Ye-Raleigh China Guizhou Youth Camp" with Raleigh China.

The Group’s continued efforts in corporate sustainability were also officially recognized with its inaugural “A” rating awarded by MSCI ESG Ratings in August 2021 as well as its inclusion

into the Hang Seng Corporate Sustainability Index effective 6 September 2021.

Outlook

China continues to encourage the development of strategic industries with a focus on nurturing technologies and new digital industries under its annual work report and 14th Five-Year Plan. The Group is optimistic that the policy will spur the digitalization and upgrading of the industrial landscape, drive demand for smart construction solutions, consumer healthcare SaaS and SPD service solutions across the supply chain ecosystem.

Against this backdrop, SY Capital will continue to capitalize on the digitalization of the economy to expand its offering for providing industrial technology and fintech solutions as part of supporting the development of all stakeholders within the supply chain ecosystem and become a one-stop comprehensive supply chain solution provider.

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About Sheng Ye Capital Limited (HKEx: 6069.HK)

Sheng Ye Capital (6069.HK) is an industry focused supply chain fintech platform. Through its Dual-Engine, One-Platform strategy, the company harnesses industrial technology and digital finance to create a comprehensive supply chain finance ecosystem. SY Capital leverages big data analytics to provide intelligent matching of assets to capital, offering a one-stop SaaS and fintech solution for enterprises and financial institutions, while effectively addressing the financing needs and pain points of SMEs within the supply chain ecosystem.

Sheng Ye Capital is listed on the Main Board of the Hong Kong Stock Exchange and is also a constituent of the MSCI Small Cap China Index, Hang Seng Composite Index and Shenzhen-Hong Kong Stock Connect. Some of the company's notable institutional investors include China Taiping Insurance, Olympus Capital and Temasek Holdings.

Media Contact

Sheng Ye Capital Limited

Kaylee Zhang

Tel: 0755-6188 0088-842

Email: kaylee.zhang@shengyecapital.com

Christensen China Limited

Shirley Chan

Tel: +852 2232 3933

Email: schan@christensenir.com