



2021

Annual Results



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Contents

- 01 **Business Update**
- 02 Industrial Technology Update
- 03 Sector Outlook
- 04 Corporate Responsibility
- 05 Financial Highlights

A leading supply chain technology platform

>10,000 SME customers served

> 130 billion RMB Cumulative supply chain assets processed

0.29% NPL

90% Loan processing time saved for customers

Industrial Technology



Smart construction solutions
Smart hospital SPD solutions



Facilitate digital upgrading of industries
Entrenched within industries, gaining access to **real-time transaction data**

Digital Finance



Digital financing solutions
Loan facilitation services
Technology service for asset-backed securities



Accurate customer acquisition + Big data risk control
Data-driven, differentiated inclusive financing

Driving Supply Chain Efficiency | Making Finance More Inclusive

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



Building an industrial “digital ecosystem”



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



Our Strategic Development



Past

Present and future



Sheng Ye Finance Limited



Sheng Ye Capital Limited



SY Holdings Group Limited

Supply chain financial services provider

Supply chain fintech platform

Supply chain technology platform



Profit



Scale



Technology-empowerment



Survival



Platformisation



Ecosystem Building

Wuxi Industrial Technology R&D Hub

- ✓ Entered into strategic cooperation with Jiangsu Wuxi Economic Development Zone in the field of IoT technology
- ✓ Established East China regional headquarters
- ✓ Industrial technology software and hardware algorithm R&D

Shenzhen Digital Finance R&D Hub

- ✓ SY Cloud Platform R&D Hub
- ✓ Digital finance product design
- ✓ Risk control strategy and data modelling

National High-tech Enterprise
42 software copyrights and patents

Tianjin Platform Operations Hub

- ✓ Strategic cooperation with Tianjin Dongjiang Free Trade Port Zone in the field of supply chain fintech
- ✓ Data security and directly connected to the PBOC's Credit Reporting System
- ✓ Platform operation and customer service hub

Key Milestones



Strategic Planning



- Strategic investment into **LinkedCare** and co-led equity investment with Tencent into **Mengcheng Technology**
- Acquired equity stake in **Wuxi Guojin** to access further funding and deepen its development in the industry ecosystem
- Deepened collaboration with **Jiangsu Wuxi Economic Development Zone** and invested RMB160 million to **establish its East China regional headquarters**

Innovative Funding



- Completed **offshore syndicated loan**, raising over RMB500 million
- **Secured total credit facilities of over RMB10 billion**

- Total cumulative supply chain assets processed exceeded **RMB130 billion**
- **Total number of customers exceeded 10,000**
- Officially connected with the **PBOC Second Generation Credit Reporting System**, successfully opening a credit inquiry account

Digital Finance



Key Milestones



Technical Strengths

- Obtained ISO27001 **International Information Security Certification**, and China's National Information Security Level Protection Certification– **Level 3**
- **SY Cloud Platform upgrade**



- Awarded bid for **Peng Cheng Laboratory Smart Construction Projects**
- Assisted a leading pharmaceutical supply chain group in developing a **smart hospital SPD system**

Industrial Technology



- **Research coverage initiation** by BOCI, Essence Securities and Haitong International
- Roped in strategic investor, **Wuxi Municipal Government** and further investment from **Temasek** via a share placement exercise

Capital Markets



Contents

- 01 Business Update
- 02 **Industrial Technology Update**
- 03 Sector Outlook
- 04 Corporate Responsibility
- 05 Financial Highlights

Leveraging Our Industrial Technology Capabilities



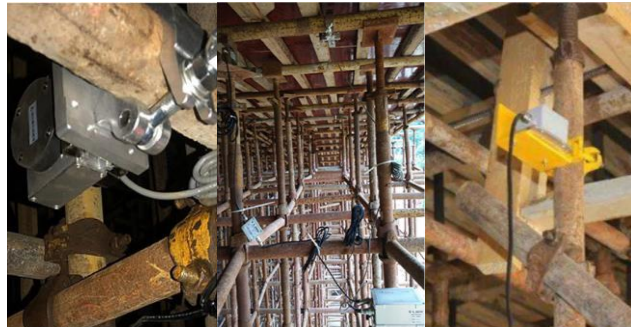
Smart Construction Sites



Secured tender for the smart exhibition hall of Peng Cheng Laboratory



Secured tender bid for the smart construction site of Peng Cheng Laboratory



High supporting framework monitoring



5G remote command and control



Smart construction site platform – BI screen



Exhibition hall

Hospital SPD Solutions



SPD Service Contract for Zhecheng County People's Hospital



Smart cabinet of high-value consumables



Closed-loop traceability supervision platform

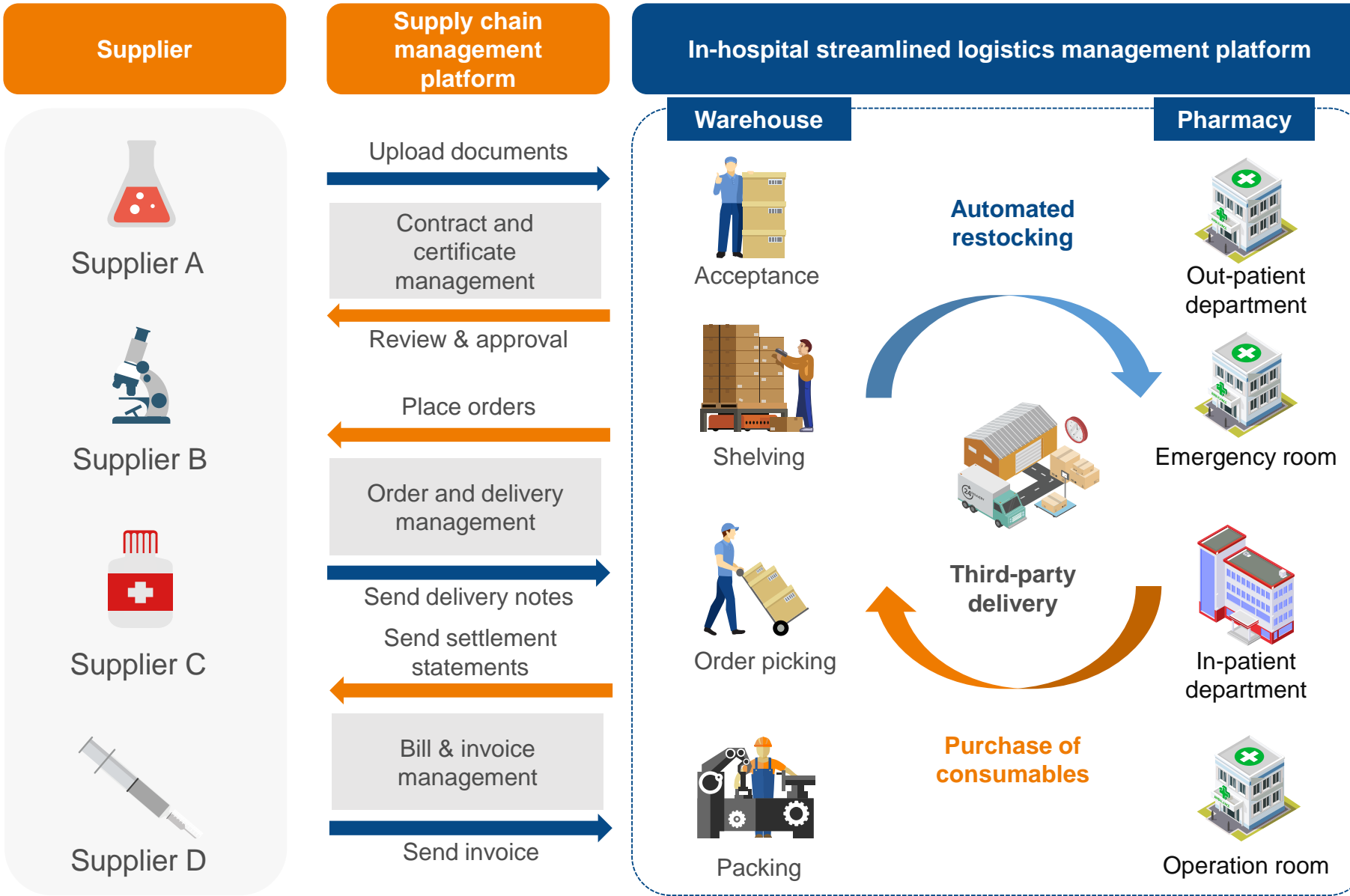


Self-service billing machine



Smart delivery robot

Hospital SPD Solutions



Zero-Inventory Management

- Reduce inventory costs of hospitals

Cost reduction

- Reduce logistics and delivery management costs
- Reduce waste of consumables

Unmanned management

- Unmanned smart cabinets
- Self-service access to consumables

Full lifecycle management

- Different code for each item and is linked to billing for surgery
- Traceable from source to destination

Peng Cheng Laboratory Smart Construction Site



SaaS + smart hardware

Smart construction site cloud platform + smart hardware to detect and analyse all dimensional elements of the site, enabling integrated, visualisation and smart management of construction sites

Multidimensional management

Realising smart and integrated personnel management, machinery management, safety management, quality management, production management, material management, BIM application and collaborative project management

Efficiency improvements

Reducing manual labour, increasing productivity and management efficiency on construction sites



Smart Inspection and Acceptance Data Application



1 Tamper proof data

2 Less manual intervention

3 Real-time data uploading

4 Improve efficiency of document verification

物资综合管理 鹏城实验室石壁龙园区

产品菜单 数据统计 / 明细台账

我的流程 计划管理 现场管理 数据统计 三算对比 明细台账 报表分析

Project name

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

园区: 施工总承包 进场时间: 2022-03-03 20:41:49 出场时间: 2022-03-03 21:56:42 供应方式: 供料单位: 深圳市 筑装饰工程...

Entry/exit time

Supplier name

Vehicle plate number

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

Goods specifications and weight

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

照片/凭证

运单/凭证(8) 进场照片(4) 出场照片(4)

Delivery documents

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

车前 车前 车尾 车尾 车顶

Smart Inspection and Acceptance Data Application



Entry time

License plate verification,
supplier recognition



Goods recognition

Smart weighing



Photo of delivery
documents by high-
speed camera



Exit time

Cross-verification of
goods acceptance

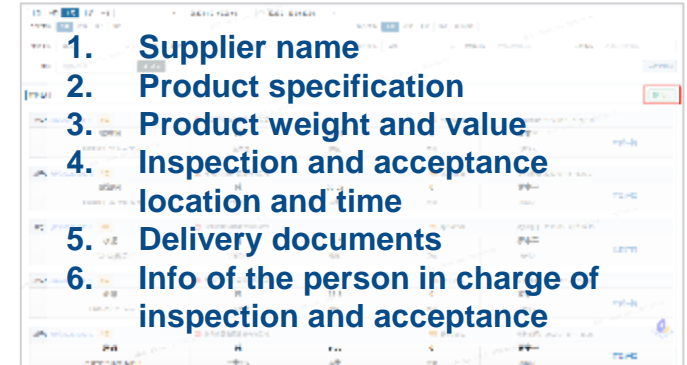
Smart inspection, acceptance and
weighing room



Data import into "smart construction
site cloud platform"



Data import into "SY Could Platform"



1. Supplier name
2. Product specification
3. Product weight and value
4. Inspection and acceptance location and time
5. Delivery documents
6. Info of the person in charge of inspection and acceptance



Transaction profile +
Platform verification

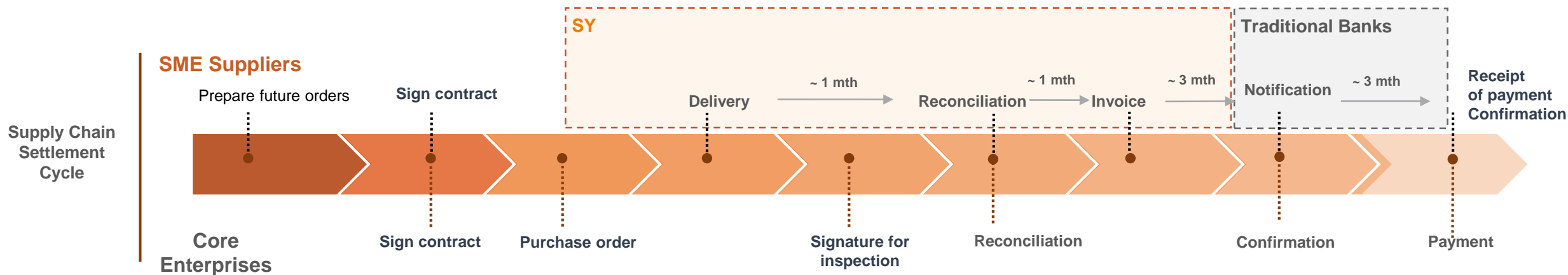


Loan disbursement



Continuous tracking

Digital Technology-driven Flexible Supply Chain Finance Services



SY Digital Finance

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

Traditional Bank Factoring

- Notification-based factoring
- Unable to timely alleviate SME pain points
- Application process largely offline
- Cumbersome
- Following traditional credit risk control mechanisms, without additional support from real-time data and flexibility
- More requirements and limitations



Tailor made for SMEs
Convenient and flexible



Data-driven, precise customer
acquisition and efficient risk
control



Transaction-based and digital
technology-enabled

Effective and Convenient Customer Experience



1 Registration



2

Appointment booking for application



3

Loan application



4

Fund withdrawal



5

Completion



Contents

- 01 Business Update
- 02 Industrial Technology Update
- 03 Sector Outlook**
- 04 Corporate Responsibility
- 05 Financial Highlights

Industrial Technology



Strengthen overall planning for the **Digital China** and facilitate the development of the **Digital Economy**



Accelerate digitalization and upgrading of traditional industries



Enhance technological innovation to promote a **stable Industrial chain and supply chain**

Digital Finance



Expand the coverage of **inclusive finance**



Further promote the resolution of financing difficulties of the **real economy**, especially for **SMEs**



Deepen the integration of industry, academia, research, and application; **innovate technology financial products and services**

Digital Economy Industrial Digitalization

Fintech Inclusive Finance

Huge Addressable Market



Supply Chain **Industrial Technology** Solutions

Market Opportunity

Industrial IoT and trends of digitalization

Market Potential **RMB 550+** Billion ¹



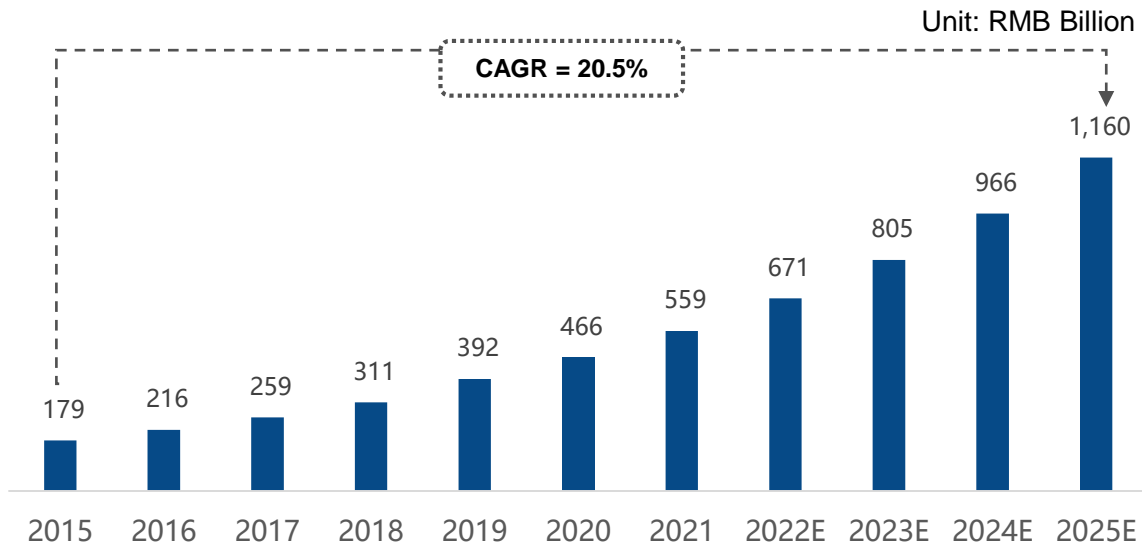
Supply Chain **Digital Finance** Solutions

Market Opportunity

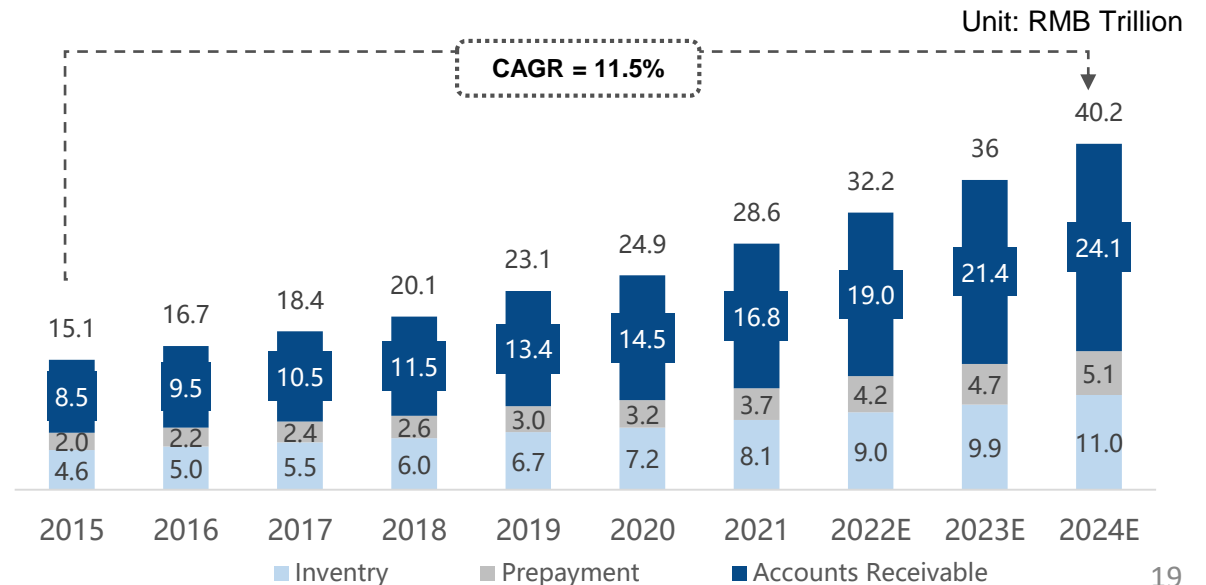
Demand of SME supply chain financing

Market Potential **RMB 28.6** Trillion ²

Ample growth potential for **supply chain SaaS and IoT** services



Supply Chain Finance Market Size in China



Note: ¹ Smart Construction Site + Healthcare SPD market size forecast as of 2021, information from public sources and company research

² China supply chain finance market size forecast (including inventory + accounts receivable + prepayments) as of 2021, information from public sources

Contents

- 01 Business Update
- 02 Industrial Technology Update
- 03 Sector Outlook
- 04 Corporate Responsibility**
- 05 Financial Highlights


Responsible
Inclusive Finance
 model



MSCI
 ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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Hang Seng Corporate Sustainability Index Series

Highest national rating of security level protection for non-bank institutions' information systems

ISO27001 International Information Security Certification



Corporate Social Responsibility



Commitment to Charity



Integrating ESG into Strategy and Business Operations to Drive Sustainable Development



Awards

- ◆ Awarded **A** rating by MSCI ESG
- ◆ Inclusion into Hang Seng **Corporate Sustainability Benchmark Index**
- ◆ Hang Seng ESG rating upgraded to **"A"**
- ◆ **"China Best ESG Award"** at the 5th China IR Annual Awards

Female Staff

54%

Number of people assisted

>1,000 individuals

SME Customers

97%

Average Loan Size

RMB
~2.8 million

Average Loan Tenure

~3 months*

Loan Processing Time Savings

90%

*Flexible repayment options

Corporate Culture



Contents

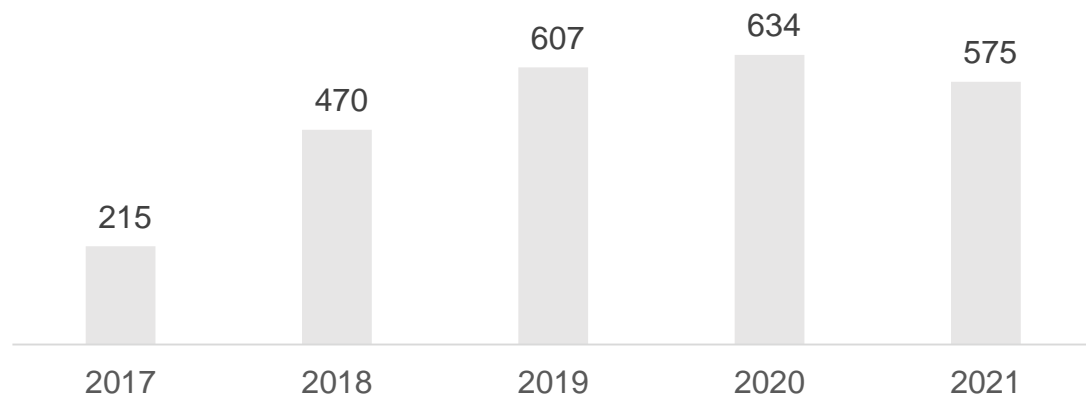
- 01 Business Update
- 02 Industrial Technology Update
- 03 Sector Outlook
- 04 Corporate Responsibility
- 05 Financial Highlights

Track Record of Growth Since Listing



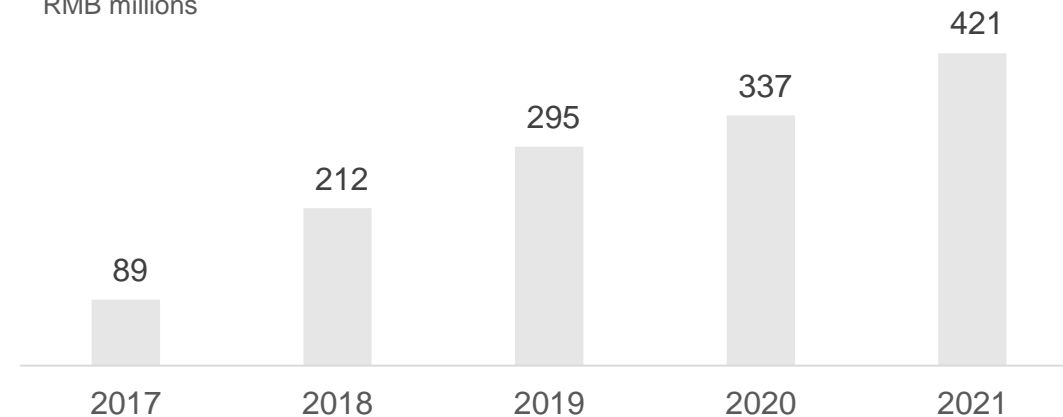
Total Revenue and Income

RMB millions



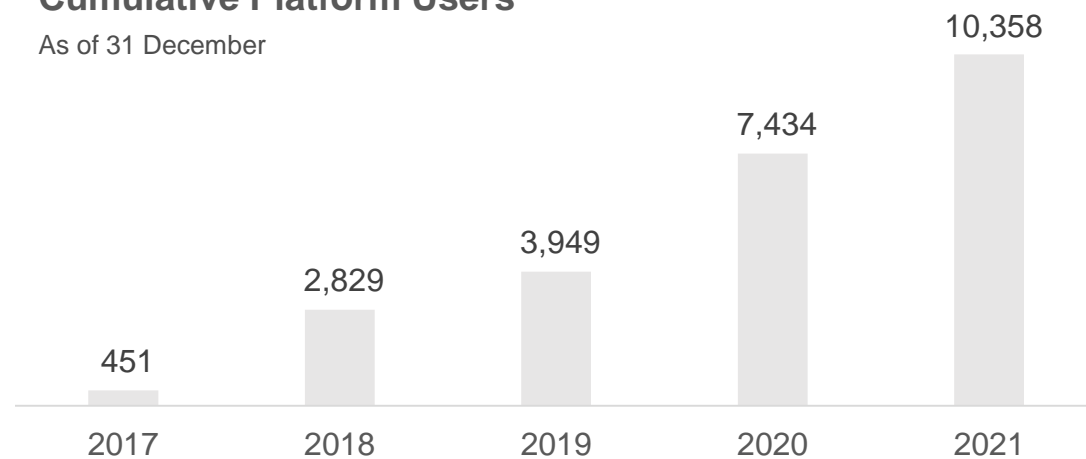
Net Profit

RMB millions



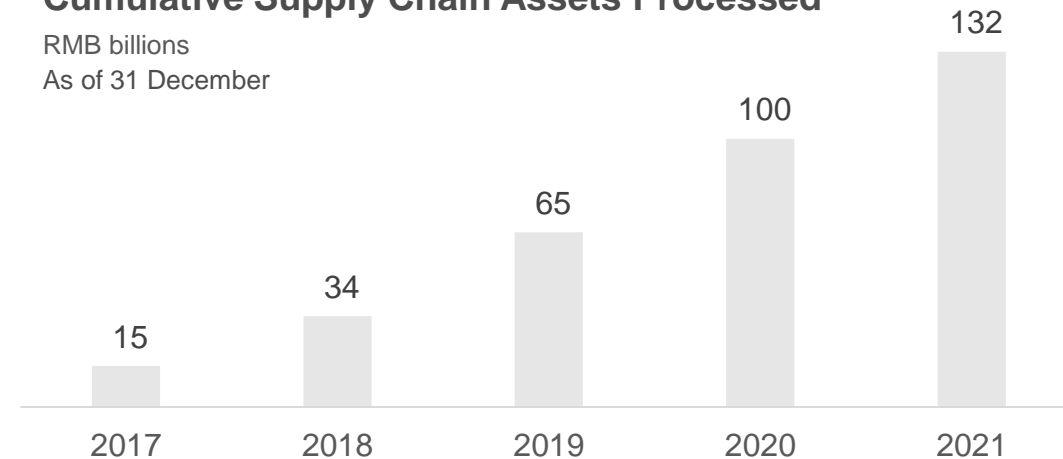
Cumulative Platform Users

As of 31 December



Cumulative Supply Chain Assets Processed

RMB billions
As of 31 December

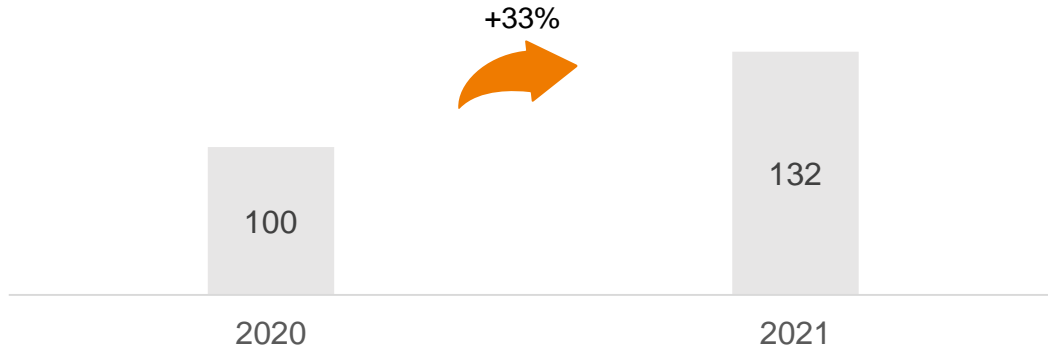


Steady Growth in Platform-based Business



Cumulative Supply Chain Assets Processed

RMB billions
As of 31 December



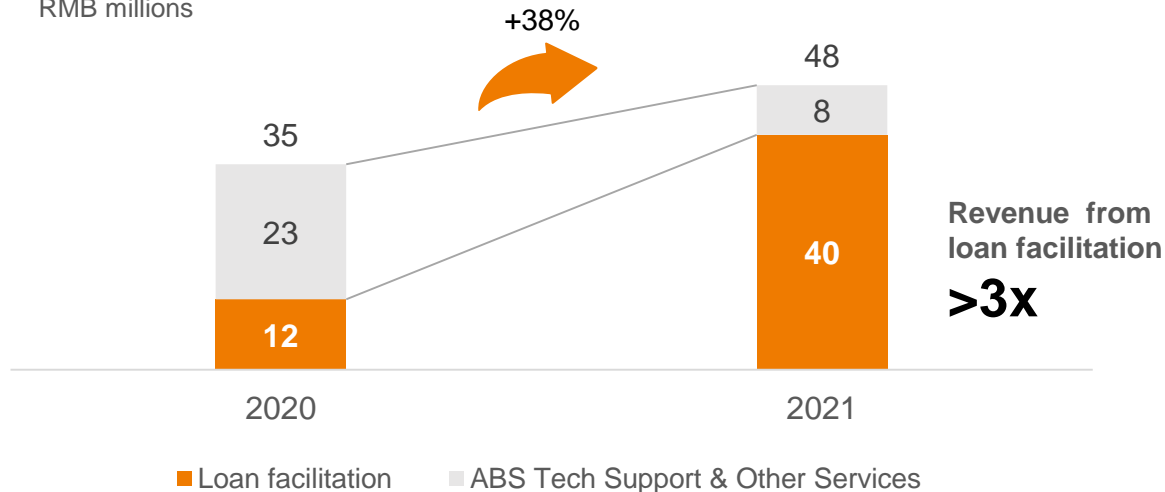
Total Platform Users

As of 31 December



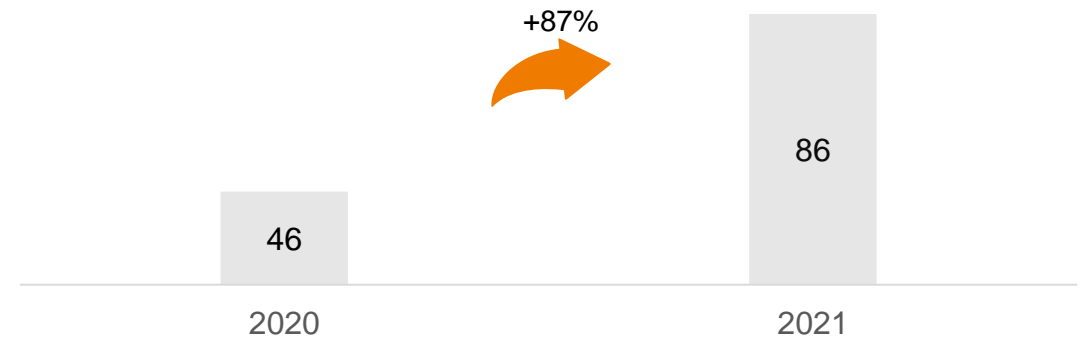
Revenue from Platform-based Services

RMB millions



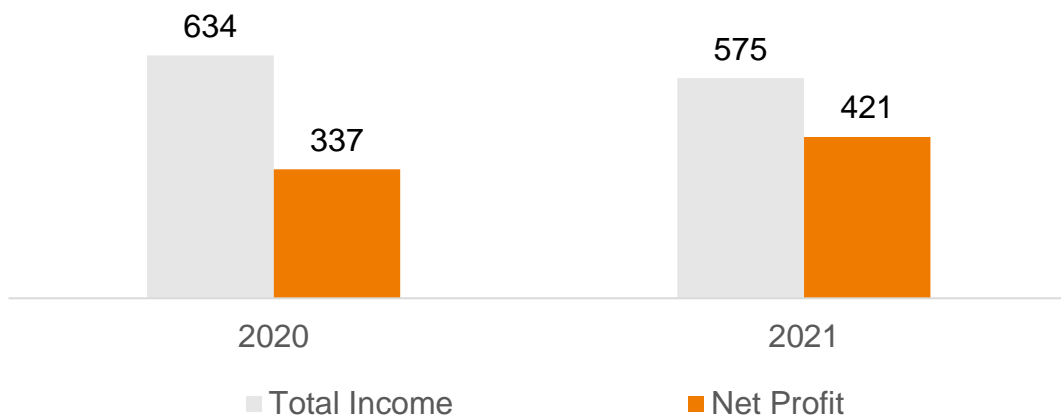
Platform Funding Partners

As of 31 December



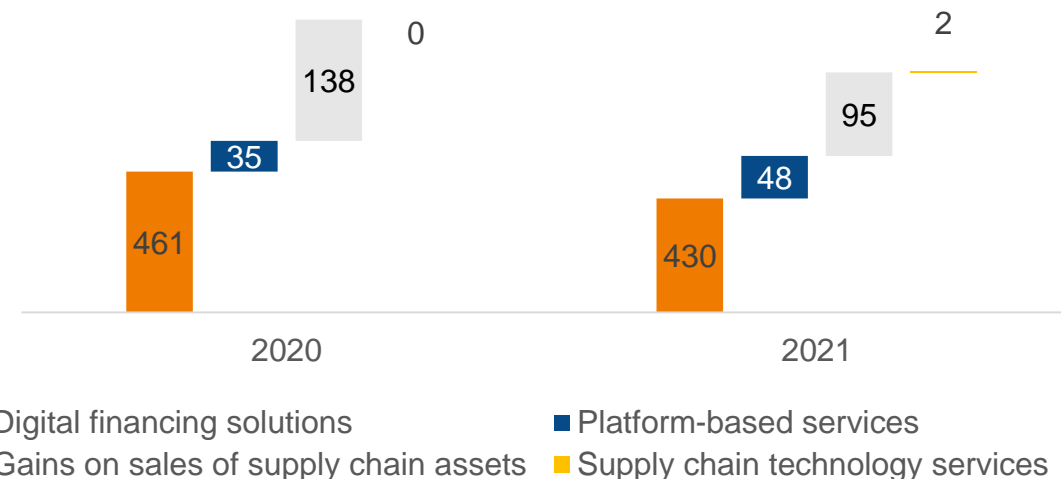
Total Revenue and Income & Net Profit

RMB millions



Total Revenue and Income

RMB millions



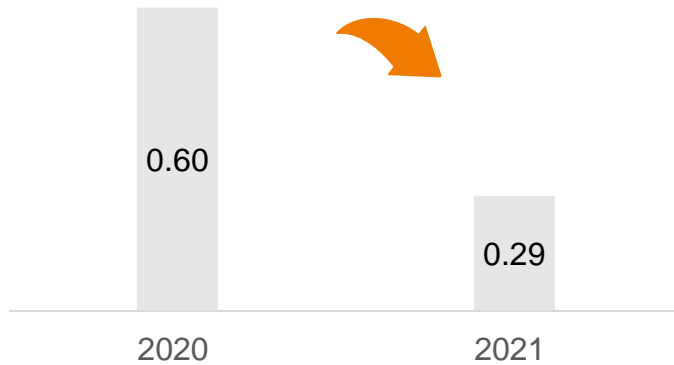
Notes:

- Total revenue and income = Digital financing solutions revenue + Platform-based services revenue + Gains on sales of supply chain assets + Supply chain technology services revenue
- More resources are allocated to the platform-based services business. Booked revenue of the platform-based services business did not reflect its actual growth due to the different accounting method for the business
- In 2021, the Company adjusted its risk strategy and business segments to focus on low- and medium-risk businesses, as well as to respond to the Chinese government's call to support the inclusive financing needs of SMEs. Although the overall average yield was lower, there was an increase in asset quality as evidenced in the reduction of the NPL and overdue ratios

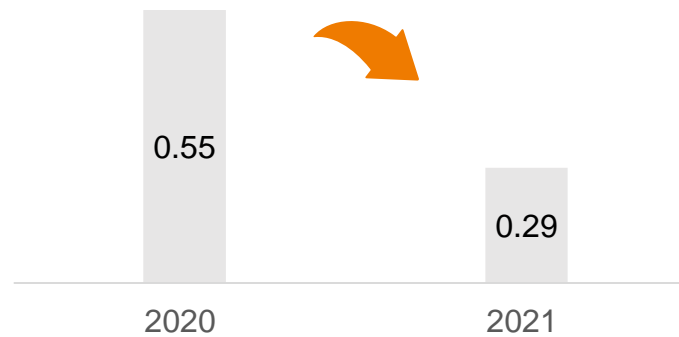
Key Financials



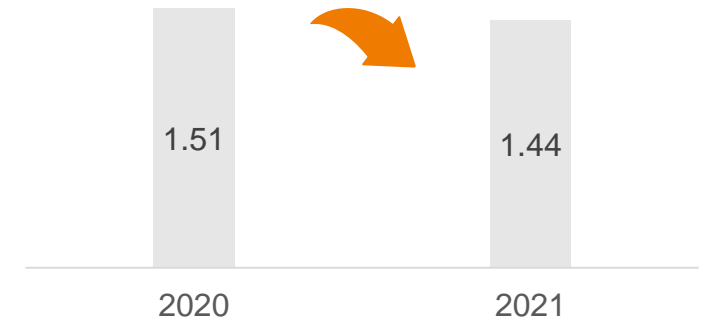
NPL %
As of 31 December



Overdue %
As of 31 December



Provision %
As of 31 December



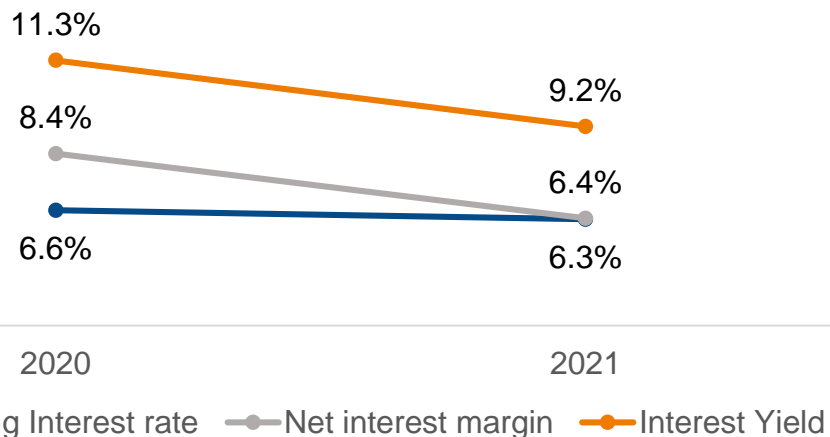
Notes:

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

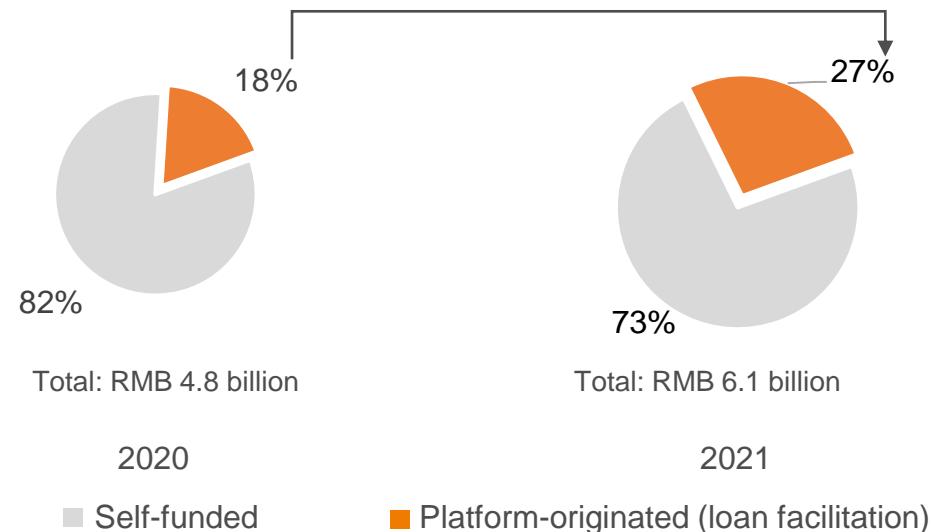
Key Financials



Net Interest Margin

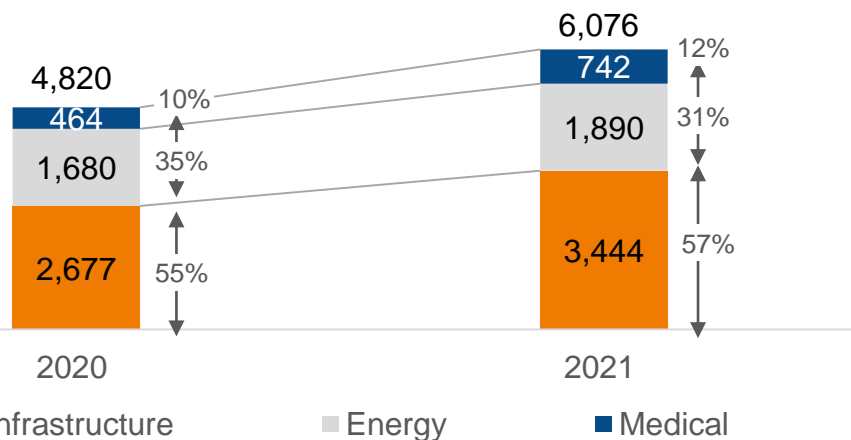


Daily Average Supply Chain Asset Balance



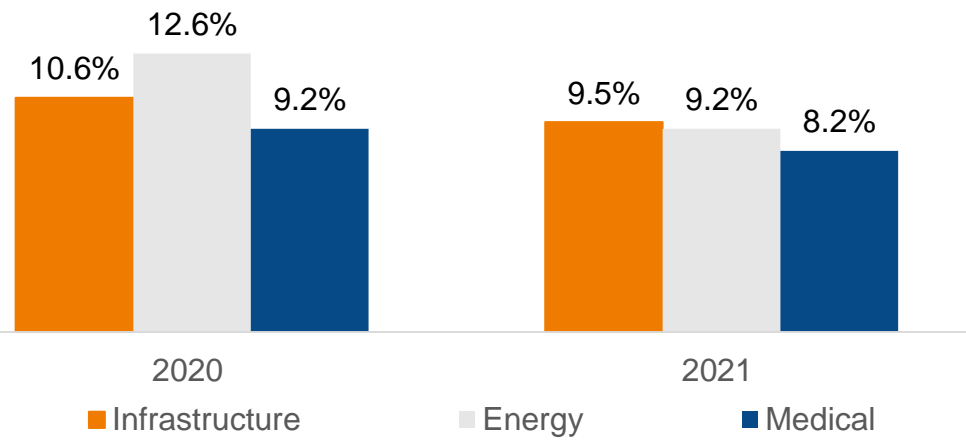
Sector Mix

based on daily average supply chain asset balance, including loan facilitation assets
RMB millions



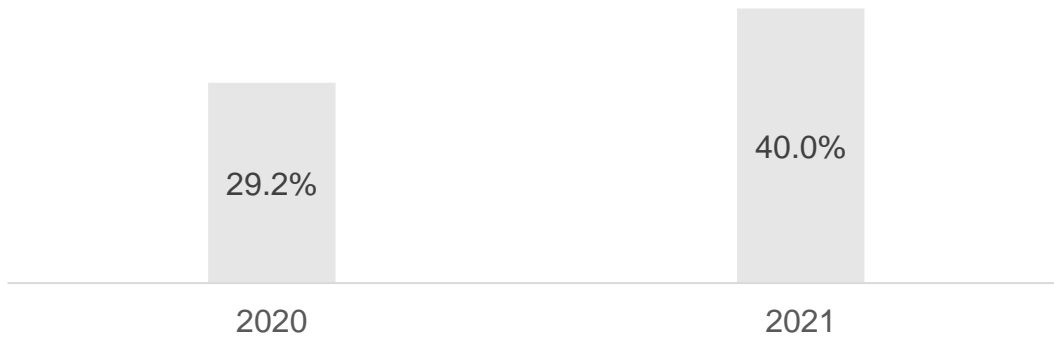
Sector Yield

based on self-funded daily average supply chain asset balance



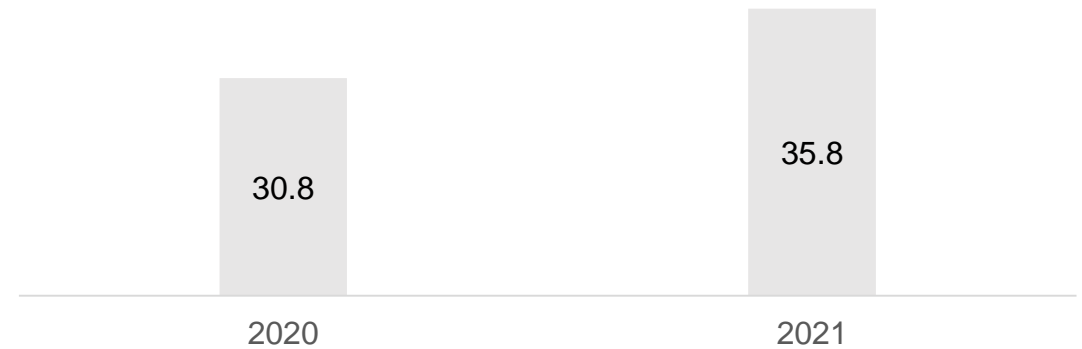
Operational Costs % of Income

Not including one-time expenses



R&D Expenses

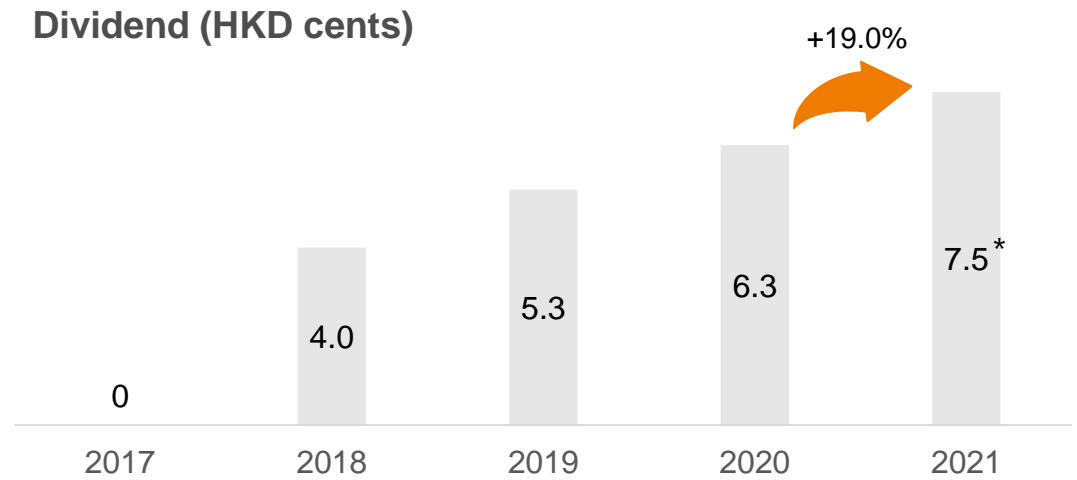
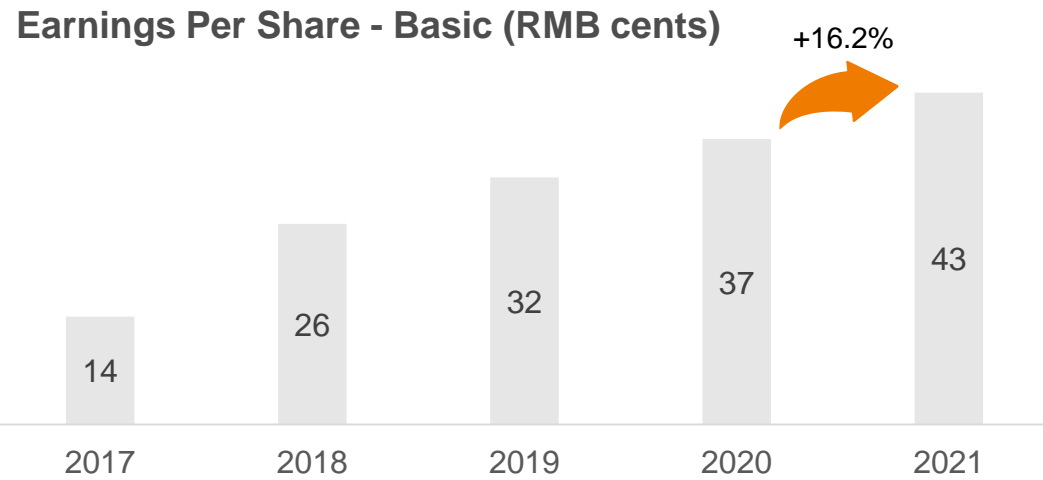
RMB millions



Notes:

- As part of its platformisation strategy, the Company increased its investments in **technology R&D and talent** to upgrade its systems, strengthen the talent pool, thereby enhancing its long-term competitiveness
- The Company has achieved good initial progress in its platformisation roll out, and expects **further improvement to its operational efficiency** and **stabilization of its cost structure**, which is expected to stabilize the cost-to-income ratio going forward

Solid Returns to Shareholders



*Estimated dividend for the year ended 31 December 2021



*Driving supply chain efficiency
Making finance more inclusive*



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