

[Press Release]



SY Holdings Announces 2021 Annual Results Accelerating its Development in Industrial Technology

Hong Kong, March 31, 2022 – SY Holdings Group Limited (“SY Holdings” or the “Group” or the “Company”, stock code: 6069.HK) announced its 2021 annual results. During the year, the Group's net profit was RMB 421.5 million, an increase of 25% year-on-year. It maintained strong profitability and sustained business growth, primarily attributable to the Group's two growth engines of industrial technology and digital finance, which drove the initial success of its platform-based strategy.

As of December 31, 2021, total cumulative supply chain assets processed by the Company was RMB 132 billion, an increase of 33% compared with December 31, 2020, total cumulative platform users increased by 39% to over 10,300 compared with December 31, 2020, and the daily average loan facilitation balance increased by 83% to RMB 1.6 billion compared with December 31, 2020. During the year, income from platform-based services was RMB 48.5 million, an increase of approximately 38% over the previous year, and the R&D cost was RMB 35.8 million, an increase of 16% over the previous year.

With the mission of "Driving Supply Chain Efficiency, Making Finance More Inclusive", the Group aims to build a leading supply chain technology platform. In addition, with the vision “to become Asia's most reliable supply chain technology platform”, the Group has served national strategic industries including infrastructure, medical and energy, and is actively expanding into other strategic emerging industries. To date, the Group is deeply entrenched in over 10 large industrial ecosystems. As a company listed on the main board of the Hong Kong Stock Exchange, SY Holdings is a constituent of the MSCI Small Cap China Index, Hang Seng Composite Index, Hang Seng Corporate Sustainability Index and is eligible for the Shenzhen-Hong Kong Stock Connect. Notable institutional investors in the Group include Temasek Holdings, China Taiping Insurance, Olympus Capital and Wuxi Communications Industry Group.

Accelerating the Deployment in Industrial Technology and Developing a Smart Supply Chain Service Ecosystem

In line with the Company's expansion strategy, the Company elevated its brand positioning and changed the Company name from “SY Capital Limited” to “SY Holdings Group Limited”. The removal of the word “Capital” indicates that the Company will no longer be limited to finance stereotypes. The new name echoes with the Company's platformisation strategy and business expansion in the field of supply

chain technology. The Company will focus on building a supply chain technology platform and constructing a smart supply chain service ecosystem.

SY Holdings accelerated its deployment in industrial technology to assist the digitization of core enterprises by deeply integrating into the industry. Since the beginning of 2021, SY Holdings has been actively making strategic deployments into the fields of industrial technology including smart construction and hospital supply, processing, and distribution (“SPD”). SY Holdings successfully secured the smart construction projects of Shenzhen’s Peng Cheng Laboratory, a national-level research lab, and assisted a leading pharmaceutical supply chain group to build a smart hospital SPD system.

In the digital finance segment, SY Holdings has entered into cooperation with several core enterprises in the field of supply chain digital finance to accelerate business expansion, leveraging its platform advantages. SY Factoring, a subsidiary of SY Holdings, was officially connected to PBOC’s Second-Generation Credit Reporting System, further optimizing the customer experience throughout the entire process. Meanwhile, the Company had also made an innovative and significant breakthrough in financing, completing the industry’s first-ever offshore syndicated loan in Mainland China, raising over RMB 500 million.

SY Holdings ramped up its investments in technology, comprehensively upgraded its SY Cloud Platform, and obtained the Level 3 certification of China’s National Information Security Level Protection Certification, continuing to optimize the customer experience. SY Holdings was also awarded the ISO27001 International Information Security Certification. To date, the Company has obtained a total of 42 computer software copyrights.

In addition to ramping up its technology investments, SY Holdings combined its capabilities in industrial technology and digital finance to enhance its technological strengths and expand its platform-based business. In particular, SY Holdings leveraged its supply chain Software-as-a-Service (“SaaS”) and Internet-of-Things (“IoT”) technologies to improve its industrial technology capabilities, integrate more deeply into industrial scenarios, and further strengthen its precision customer acquisition and big data risk control capabilities.

SY Holdings made significant breakthroughs in strategic cooperation and the introduction of strategic investors. SY Holdings has entered into a strategic partnership with Tencent Cloud in smart construction space. In addition, SY Holdings deepened the strategic cooperation with the Jiangsu Wuxi Economic Development Zone with the establishment of its East China regional headquarters and industrial technology R&D center. SY Holdings also roped in Wuxi Communications Industry Group as a strategic shareholder, and a top-up investment from existing shareholder, Temasek Holdings as part of a share placement exercise.

In line with its ecosystem deployment, SY Holdings increased its strategic investments in the field of supply chain industrial technology. Together with Tencent, SY Holdings co-led an equity investment into Mengcheng Technology, a leading SaaS provider of engineering management solutions for the infrastructure sector in China. The Company also separately completed a strategic investment in LinkedCare, a leading consumer healthcare SaaS provider.

Integrating ESG into Strategy and Business Operations to Drive Sustainable Development

SY Holdings has been credited for its efforts in sustainability. The Company is committed to fulfilling its corporate social responsibility by integrating environmental, social responsibility and corporate governance (“ESG”) into its strategy and business operations. SY Holdings received an "A" rating by MSCI ESG Research, became a constituent member of the Hang Seng Corporate Sustainability Benchmark Index, and had its Hang Seng ESG rating was upgraded to "A".

SY Holdings attaches great importance to social responsibility and has been proactively participating in public welfare activities for eight consecutive years since 2014, making a total donation of around RMB 10 million and helping over 1,000 individuals. In December 2021, the SY Public Welfare Foundation was approved for establishment, increasing its efforts in helping children in need, assisting industries to develop and supporting youth development. During the COVID-19 pandemic, the Company established the SY Light team, a public welfare program to support control and testing work for the pandemic. In addition, the Company made a donation to the Red Cross Society of Zhengzhou to support the rescue efforts in response to natural disasters caused by heavy downpours in Zhengzhou in 2021.

To Drive the Digitalization and Upgrading of Industries Going Forward

Jeff Tung, Chairman of SY Holdings remarked, “Looking ahead, I hope we will bravely reflect on setbacks of the past, positively embrace the opportunities of the present, and calmly tackle the challenges of the future. We will continue to invest in technology R&D and talent pool, and be persistent with challenging yet valuable projects, in order to drive supply chain efficiency and make finance more inclusive!”

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About SY Holdings Group Limited (stock code: 6069.HK)

The Group’s mission is to “Drive Supply Chain Efficiency and Make Finance More Inclusive”, with a vision to “become Asia’s most reliable supply chain technology platform”. The Group has served various national strategic industries including the infrastructure, medical and energy segments, and is also actively expanding into other strategic emerging industries. SY Holdings is currently entrenched in over 10 large industrial ecosystems. Listed on the main board of the Hong Kong Stock Exchange, SY Holdings is a constituent of the MSCI Small Cap China Index, Hang Seng Composite Index, Hang Seng Corporate Sustainability Index and is on the Shenzhen-Hong Kong Stock Connect. Notable institutional investors in the Group include Temasek Holdings, China Taiping Insurance, Olympus Capital and Wuxi Communications Industry Group.

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