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SY HOLDINGS GROUP LIMITED
盛業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6069)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024

PERFORMANCE HIGHLIGHTS

For the six months ended 30 June 2024

- In line with the Group's platform-based strategy, total cumulative platform users were over 16,700 as of 30 June 2024, representing an increase of approximately 22.8% as compared to over 13,600 as of 30 June 2023. Total funding partners increased by 13.1% from 122 as of 30 June 2023 to 138 as of 30 June 2024.

- Total cumulative supply chain assets processed was approximately RMB216 billion as of 30 June 2024, representing an increase of approximately 22.0% as compared to approximately RMB177 billion as of 30 June 2023.

- Revenue from platform-based technology services[1] for the six months ended 30 June 2024 was RMB153.8 million representing an increase of approximately 82.9%, as compared to RMB84.1 million for the six months ended 30 June 2023. The proportion of revenue form platform-based in Group's total revenue and income from principal activities is approximately 35.3%, representing a significant increase as compared to approximately 17.0% for the six months ended 30 June 2023.

- With the deepening cooperation between SY and regional high-quality state-owned enterprises, share of profit of associate for the six months ended 30 June 2024 was RMB40.7 million representing an increase of approximately 698.0%, as compared to RMB5.1 million for the six months ended 30 June 2023.

1. The platform-based technology services included technology service for loan facilitation, referral service, technology service for asset-backed securitisation products, supply chain technology services and other services.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

2024 Interim Review

In the first half of 2024, SY Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**SY**") focused on promoting inclusive finance as outlined in the China's Central Financial Work Conference, integrating technology with industry supply chains. The Group has deepened its involvement in national pillar industries of infrastructure, pharmaceuticals and commodities, while also expanded its product offerings into strategic emerging industries such as cross-border e-commerce and energy storage. SY committed to enhance its ability to serve the real economy, provide small, medium, and micro-enterprises ("**SMEs**") in the supply chain of more convenient access to inclusive financial services, thereby boosting social responsibility and value creation. As at 30 June 2024, the platform's cumulative number of customers was over 16,700, and the cumulative amount of supply chain assets processed by the platform was approximately RMB216 billion, increased by approximately 22.8% and 22.0% respectively compared to that as at 30 June 2023. The proportion of SMEs customers was approximately 96.69%. As SY's technology and industry digital ecosystems become more interconnected, the Group's business scale continues to expand. During the six months ended 30 June 2024, the Group recorded an adjusted net profit[1] of RMB166 million, while the revenue from digital financing solutions reached RMB275 million. The daily average balance of supply chain assets (including both self-funded and loan facilitation supply chain assets) during the period was approximately RMB20.429 billion, representing a year-on-year growth of about 61.7%.

SY leveraged the investment into technological innovation and the commercialization of R&D achievements as entry points to drive a positive and dynamic business cycle of "technology-industry-finance". By 30 June 2024, the Group's cumulative R&D investment reached RMB222 million, holding 68 national invention patents and software copyrights. The Group leveraged technology to enhance its platform's linking capabilities, precisely matching high-quality assets with inclusive funds. This resulted in revenue and income from principal activities of RMB436 million, with revenue form platform-based technology services reaching approximately RMB154 million, a year-on-year increase of approximately 82.9% and accounted for 35.3% of the total revenue, indicating the main driver of the Group's performance growth in the future.

[1] Exclude the impacts of gain on disposal of subsidiaries and equity-settled share-bases payments pursuant to share incentive plan.

Non-HKFRSs measure: Adjusted net profit

To supplement our consolidated results which are prepared and presented in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**"), we utilize non-HKFRSs adjusted net profit ("**adjusted net profit**") as an additional financial measure. We define adjusted net profit as profit for the period, as adjusted by excluding gain on disposal of subsidiaries and equity-settled share-based payments based on our share incentive plan.

Adjusted net profit is not required by, or presented in accordance with, HKFRSs. We believe that the presentation of non-HKFRSs measures when shown in conjunction with the corresponding HKFRSs measures provides useful information to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance, such as certain non-cash items and the impact of certain non-recurring investment transactions. We also believe that the non-HKFRSs measures are appropriate for evaluating the Group's operating performance. However, the use of this particular non-HKFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRSs. In addition, this non-HKFRSs financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following tables set forth reconciliations of the Group's non-HKFRSs measures for the six months ended 30 June 2024 and 2023, respectively, to the nearest measures prepared in accordance with HKFRSs.

	2024	2023
	RMB'000	*RMB'000*
Profit for the six months ended 30 June	**165,626**	181,006
Less:		
Gain on disposal of subsidiaries *(note 1)*	**(5,177)**	–
Add:		
Equity-settled share-based payments based on our share incentive plan		

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Movements in impairment loss allowance on supply chain assets

The Group's impairment loss allowance on supply chain assets decreased by 25.2% year-on-year to RMB65.7 million as at 30 June 2024, compared to RMB87.8 million as at 30 June 2023, mainly due to the decrease in gross carrying amount of supply chain assets. No impairment loss allowance were written off for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).

Borrowings and finance costs

Borrowings, including loans from related parties, as of 30 June 2024 was RMB5,874.8 million, a 10.6% decrease year-on-year. Daily average borrowings over the first half of 2024 was RMB5,971.0

KEY INTERNAL CONTROLS IN RESPECTIVE OF DIGITAL FINANCING SOLUTIONS

The Group has established and maintained comprehensive approval and risk assessment procedures, sound internal control system and established credit risk control policies in place which take into account internal and external factors to determine the approval of digital financing solutions. The Group applies industry risk assessment model which is based on a conventional risk control and industry-specific evaluation model for credit assessment of digital financing solutions.

With an in-depth accumulated understanding of the industry, the Group verifies and validates the authenticity and rationality of transactions of SME customers by crosschecking transaction information with multi-dimensional data. By processing comprehensive evaluation of the SME customers which takes trading status in the supply chain into account when determining the customers' financial positions, the Group could approach and provide prudent and tailored digital financing solutions to the underserved SME customers and meanwhile mitigate the fraud risk thereunder.

Credit approval

Leveraged by the industry risk assessment model, the Group applies the double-layer credit approval system in the digital financing solutions business to manage the risk exposure on each customer and the operations of the Group as a whole. The double-layer credit approval system includes the assessment of the credit limit of a customer (the "**Customer Quota**") and the credit limit of each utilization request made by the customer (the "**Utilization Quota**").

- ***Customer Quota***

  The Group strategically focuses on the selected key industries and core enterprises to develop and improve its industry risk assessment model. Therefore the Group is capable to assess the comprehensive value of its potential SME customers not merely by their financial performance, but also by their trading status in the supply chain ecosystem considering, inter alia, the credibility of the core enterprises, the stability of the cooperation between the SME customers and the core enterprises, and the continuous operation of the SME customers.

  The Customer Quota is generally determined between the potential customer and the Group based on arm's length negotiation by considering, among others, (i) the capital needs of the potential customer; and (ii) the comprehensive value of the potential customer assessed and determined by the Group applying the industry risk assessment model.

- ***Utilization Quota***

  After the Customer Quota is approved by the Group, the customer could apply for the utilization of digital financing solutions. The aggregated outstanding amount of the utilizations of a customer shall not exceed the Customer Quota granted to the customer, and the amount of each application shall not exceed the Utilization Quota determined by the Group separately.

The Utilization Quota is generally determined by the Group upon each application considering, among others, (i) the amount of accounts receivables owned by the customer which is of sufficient value (being more than or equal to the amount of the utilization applied by the customer) as credit enhancement for the provision of the digital financing solutions under the specific application; and (ii) the transaction profile maintained on a real-time basis by the Group from which the accounts receivables are originated. The transaction profile is empowered by the Group's data-driven supply chain technology platform, known as "SY Cloud Platform", which verifies transactional authenticity with multi-dimensional and diversified-sourced data by incorporating a comprehensive suite of technologies such as electronic signatures, OCR, NLP, big data analytics, video authentication and facial recognition.

Monitoring of loan recoverability

The timely repayment of the digital financing solutions and risk exposures is monitored by the Group's Risk Management Department. Leveraging on the data-driven technology platform, the Group continues to monitor the assets through regular monitoring of repayment, invoice status verification and 24-hour public opinion monitoring to ensure that the entire financing process is under comprehensive, continuous and effective management and control.

The Group establishes close cooperation with various banks, opens designated accounts, collects and monitors the repayment information in a timely manner, and effectively tracks the customers' continuity eg recognition.

USE OF PROCEEDS

The Placement in 2021

On 24 September 2021 (after the trading hours), the Company and China International Capital Corporation Hong Kong Securities Limited (the "**Placement Agent**") entered into a placement agreement pursuant to which the Company conditionally agreed to place, through the Placement Agent on a best effort basis, a maximum of 63,068,000 ordinary shares at a price of HKD8.80 per share (the "**Placement**"). The placing shares were allotted and issued pursuant to the general mandate for the Company.

The Placement was completed on 5 October 2021. An aggregate of 63,068,000 new shares were successfully issued by the Company and placed by the Placing Agent to two placees, namely Xitong International Holdings (HK) Limited and Pavilion Capital Fund Holdings Pte. Ltd., at a price of HKD8.80 for each new share. The new shares from the Placement represent approximately 6.29% of the issued share capital of the Company translating to total net proceeds of approximately HKD550.8 million (equivalent to approximately RMB456.2 million).

The placing price of HKD8.80 per share represents: (i) a discount of approximately 7.95% to the closing price of HK$9.56 per share as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 September 2021; (ii) a discount of approximately 9.45% to the average closing price of the shares of approximately HK$9.718 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding but excluding 24 September 2021; and (iii) a discount of approximately 9.44% to the average closing price of the shares of approximately HK$9.717 per share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding but excluding 24 September 2021.

Use of proceeds from the Placement

During the year ended 31 December 2021, 2022, 2023 and six months ended 30 June 2024, details of the use of proceeds of the Placement were as follows:

Use of proceeds	Net proceeds raised *(Approximately HK$ million)*	Actual use of net proceeds during the year ended 31 December 2021 *(Approximately HK$ million)*	Actual use of net proceeds during the year ended 31 December 2022 *(Approximately HK$ million)*	Actual use of net proceeds during the year ended 31 December 2023 *(Approximately HK$ million)*	Actual use of net proceeds during the six months ended 30 June 2024 *(Approximately HK$ million)*	Intended use and expected timeline of the remaining amount of net proceeds
Strategic acquisition of and/or investment in business(es) in the industrial technology and digital financing	275.4	275.4	–	–	–	The amount of strategic acquisition of and/or investment in business(es) in the industrial technology and digital financing had been fully utilised.
Expansion and development of the Group's supply chain technology services segment	165.2	2.3	33.2	20.7	25.6	The remaining unutilised amount of approximately HK$83.4 million will be used for expansion and development of the Group's supply chain technology services segment and is expected to be fully utilised by 31 December 2025.
General working capital of the Group's platformisation	110.2	7.1	103.1	–	–	The amount of net proceeds for general working capital of the Group's platformisation had been fully utilised.

SUPPLEMENTAL INFORMATION IN RELATION TO THE USE OF PROCEEDS FROM THE PLACEMENT SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Reference is made to the annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (the "**Annual Report**").

In addition to the information disclosed in the Annual Report, the Board of Directors would like to provide additional information pursuant to paragraph 11(8) of Appendix D2 to the Listing Rules in relation to the use of proceeds raised from the Placement completed on 5 October 2021.

As disclosed in the annual report of the Group for the year ended 31 December 2022 published on 27 April 2023, as of 31 December 2022, the remaining unutilised net proceeds raised from the Placement allocated to expansion and development of the Group's supply chain technology services segment is expected to be fully utilised by 31 December 2023.

The Company has been actively expanding its supply chain technology service business, mainly focusing on developing supply chain technology services in the infrastructure and pharmaceutical industries to create business synergies. Since (i) the Company needs more time to conduct business research and evaluate its business needs and the risks involved in order to identify potential projects and promote implementation; and (ii) secure better business returns and strive for a more advantageous market position of the Company, as disclosed in the Annual Report, it is expected that the remaining unutilised net proceeds allocated to expansion and development of the Group's supply chain technology services segment of approximately HK$109.0 million is expected to be fully utilized by 31 December 2025.

The Board of Directors considers that the delay in the use of the unutilised net proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

The expected timeline of full utilisation of the unutilised net proceeds is based on the Directors' best estimation barring any unforeseen circumstances, and may be subject to change based on the market conditions. Should there be any material change or delay in the use of proceeds, further announcement(s) will be made by the Company as and when appropriate.

The supplementary information set out above does not affect other information contained in the Annual Report and, save as disclosed above, all other information set out in the Annual Report remains unchanged.

CAPITAL COMMITMENTS

As at 30 June 2024, the capital commitments of the Group comprised of purchase of property and equipment of approximately RMB249.4 million and investment in an associate of approximately RMB0.2 million (31 December 2023: purchase of property and equipment of approximately RMB352.0 million and investment in an associate of approximately RMB0.2 million).

CONTINGENT LIABILITIES

Save as disclosed in note 17 of the "Notes to the condensed consolidated financial statements", the Group did not have any other guarantees or other material contingent liabilities as at 30 June 2024.

PLEDGE OF ASSETS

As at 30 June 2024, the Group had pledged bank deposits of RMB865.1 million, equity tranche of RMB174.2 million, and certain supply chain assets with an aggregate carrying amount of RMB4,331.0 million to banks, third parties and an associate for facilities, loan facilitation platform in partnership with banks and derivative financial instruments (31 December 2023: pledged bank deposits of RMB866.5 million, wealth management products of RMB102.7 million, equity tranche of RMB63.0 million, investment property with carrying amount of RMB31.1 million, and certain supply chain assets with an aggregate carrying amount of RMB3,208.8 million to banks and third parties for facilities, loan facilitation platform in partnership with banks and derivative financial instruments).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

On 28 February 2024, the Company entered into a collaborationagreement with [illegible] (Wuxi Taihu New City Asset Management Co., Ltd.*) ("**Wuxi Taihu New City**"), WXGJ and other subsidiaries of the Company (the "**Collaboration Agreement**"), pursuant to which, among others, Wuxi Taihu New City subscribed RMB569.4 million of the capital increase in WXGJ, and the parties agreed to provide financial assistance and guarantees pursuant to the terms of the Collaboration Agreement. The Group's total indirect equity interest in WXGJ had been diluted from 80% to 49% and WXGJ ceased to become a subsidiary of the Group. Details of the capital increase and terms of the Collaboration Agreement are disclosed in the Company's announcements dated 28 February 2024 and 20 March 2024 and the Company's circular dated 24 April 2024.

In March 2024, the Group de-registered [illegible] (Khorgos Yong Zhuo Factoring Limited*).

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 30 June 2024, the Group did not make any significant investments.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations

Save as disclosed herein, as at 30 June 2024, none of the Directors or chief executive of the Company or their associates (as defined in the Listing Rules) had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to provisions set out in Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2024, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	**Capacity/ nature of interest**	**Number and class of securities interested** *(Note 1)*	**Percentage of shareholding**
TMF Trust *(Notes 2 and 3)*	Trustee Deemed interests of	560,601,960 (L)	56.72%

Notes:

1. The letter "L" denotes long position of the shares of the Company.

2. Wisdom Cosmos, a company incorporated in the BVI, is the beneficial owner of 560,601,960 shares of the Company, representing approximately 56.72% shareholding interests in the Company. The entire issued share capital of Wisdom Cosmos is owned by Eander, a company incorporated in the BVI, which is in turn wholly owned by TMF Trust, trustee of the PJ Trust, an irrevocable reserved power trust established by Mr. Tung. Mr. Tung and his family members are the

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of Shares of the Company available for issue under the RSU Scheme is 19,602,570 Shares, representing approximately 1.98% of the 987,886,000 ordinary Shares of the Company in issue (excluding treasury shares) as at the date of this announcement.

Following the termination of the RSU Scheme, no further RSUs will be granted thereunder. All RSUs granted prior to such termination and not vested on the date of termination shall remain valid.

SHARE SCHEME

The principal terms of the 2024 Share Scheme are set out in the circular of the Company dated 29 April 2024. No share options have been granted under the 2024 Share Scheme since becoming effective on 21 May 2024, therefore, a maximum number of 98,975,000 Shares are available for grant and issue under the 2024 Share Scheme, representing approximately 10.02% of the Shares in issue (excluding treasury shares) as at the date of this announcement.

Save for the adoption of the 2024 Share Scheme as disclosed in the circular and announcement of the Company dated 29 April 2024 and 21 May 2024 respectively, no new share awards have been granted nor any existing share schemes have been adopted by the Company as at 30 June 2024.

Pursuant to Rule 17.09(9) of the Listing Rules, as at 30 June 2024, the remaining life of the 2024 Share Scheme is about 9 years and 10 months old.

Pursuant to Rule 17.07(3) of the Listing Rules, the total number of shares that may be issued in respect of share options, RSUs and/or awards granted under the 2017 Share Option Scheme, the RSU Scheme and the 2024 Share Scheme during the six months ended 30 June 2024 divided by the weighted average number of shares of the relevant class in issue for the same period was 8.39%.

Apart from the aforesaid, at no time during the six months ended 30 June 2024 was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, the Company repurchased 1,562,000 shares on the Stock Exchange for an aggregate consideration of approximately HKD6.74 million before expenses. The shares repurchased before 11 June 2024 were subsequently cancelled, while the 444,500 shares repurchased from 17 June 2024 to 24 June 2024 are held by the Company as treasury shares. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follows:

		Purchase consideration per share		
Month of purchase in the six months ended 30 June 2024	**No. of shares purchased**	**Highest price paid** ***HKD***	**Lowest price paid** ***HKD***	**Aggregate consideration paid** ***HKD***
January	429,000	4.42	4.13	1,826,105
February	64,500	4.47	4.40	285,075
April	500,000	4.30	4.21	2,095,025
May	124,000	4.41	4.28	533,955
June	444,500	4.55	4.53	1,999,415
TOTAL	1,562,000			6,739,575

Save as above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares) during the six months ended 30 June 2024.

As at 30 June 2024, the Company held 444,500 treasury shares, representing approximately 0.04% of the Company's shares in issue.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING

CHANGES IN INFORMATION OF DIRECTORS

During the six months ended 30 June 2024, there is no change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PERMITTED INDEMNITY

Pursuant to the articles of association of the Company, every Director or other officer of the Company

CORPORATE GOVERNANCE

The Directors are committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. To accomplish this, the Group will continue to comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and the associated Listing Rules (the "**CG Code**").

The shares of the Company were successfully listed on GEM on 6 July 2017 (the "**Listing Date**") and were transferred to the Main Board on 24 October 2019. To the best knowledge of the Board, the Company had complied with the code provisions in the CG Code during the period from the Listing Date to 30 June 2024.

AUDIT COMMITTEE

The Company established the Audit Committee on 19 June 2017 with written terms of reference in compliance with Rules 3.21 to 3.24 of the Listing Rules and paragraph D.3 of the CG Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of the external auditors; review the financial statements and provide material advice in respect of financial reporting; and oversee the internal control and risk management procedures of the Company. The Audit Committee currently consists of three members, namely Mr. Tang King San Terence, Mr. Loo Yau Soon and Mr. Fong Heng Boo. The Chairman of the Audit Committee is Mr. Tang King San Terence.

The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2024 and the interim report have been reviewed by the Audit Committee. The Board is of the opinion that such financial information has been prepared in compliance with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

The Company's independent auditor, Deloitte Touche Tohmatsu, has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

EVENT AFTER THE REPORTING PERIOD

On 9 July 2024, Sheng Ye International Capital Limited (a direct wholly-owned subsidiary of the Company) (the "**Purchaser**"), the Company and Future Gold Enterprises Limited (the "**Vendor**") entered into the share purchase agreement (the "**Agreement**"), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, all the issued shares of Great Style Holdings Limited (the "**Target Company**"), at a closing consideration of RMB300 million. Subject to the satisfaction of the performance targets of the Target Company in 2024 and 2025, the Purchaser has agreed to pay an additional contingent consideration of up to RMB500 million in aggregate. Details of Agreement are disclosed in the Company's announcement dated 9 July 2024.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	NOTES	**30 June 2024** ***RMB'000*** **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Non-current assets			
Property and equipment		**127,947**	68,264
Right-of-use assets		**97,632**	102,973
Investment property		**30,612**	31,053
Goodwill		**–**	316,028
Intangible assets		**59,783**	168,611
Investments in associates	*12*	**1,352,130**	582,968
Deferred tax assets		**8,942**	18,163
Other financial assets at fair value through profit or loss ("**FVTPL**")	*13*	**419,844**	414,041
Supply chain assets at FVTOCI	*14*	**9,563**	126,889
Equity instruments at FVTOCI		**63,179**	61,498
Loans to an associate		**280,000**	280,000
Trade and bill receivables		**20,765**	23,429
Other receivables, prepayments and others		**11,810**	8,315
		2,482,207	2,202,232
Current assets			
Derivative financial instruments		**5,894**	14,063
Other financial assets at FVTPL	*13*	**365,255**	202,036
Supply chain assets at FVTOCI	*14*	**5,710,692**	7,536,455
Debt instrument at amortised cost		**–**	18,968
Loans to an associate		**95,361**	89,727
Receivables from guarantee customers		**6,117**	6,412
Trade and bill receivables		**29,783**	46,509
Other receivables, prepayments and others		**44,876**	49,119
Contract costs		**1,421**	557
Time deposits		**22,146**	128,830
Pledged bank deposits		**865,126**	866,450
Cash and cash equivalents		**741,054**	658,210
		7,887,725	9,617,336

	NOTES	**30 June 2024 *RMB'000* (Unaudited)**	31 December 2023 *RMB'000* (Audited)
Current liabilities			
Loans from related parties		**2,834,976**	960,654
Trade and other payables	*16*	**364,505**	294,752
Derivative financial instruments		**1,985**	9,579
Contract liabilities		**69,559**	58,995
Income tax payable		**47,399**	31,791
Liabilities arising from guarantee contracts	*17*	**41,424**	31,078
Borrowings	*18*	**2,774,779**	4,673,232
Other financial liabilities at FVTPL		**–**	61,208
Lease liabilities		**10,493**	9,799
		6,145,120	6,131,088
Net current assets		**1,742,605**	3,486,248
Non-current liabilities			
Liabilities arising from guarantee contracts	*17*	**4,916**	1,316
Borrowings	*18*	**265,046**	1,546,754
Loans from related parties		**–**	2,299
Lease liabilities		**5,683**	10,170
Deferred tax liabilities		**60,813**	64,654
		336,458	1,625,193
Net assets		**3,888,354**	4,063,287
Capital and reserves			
Share capital	*19*	**8,547**	8,559
Reserves		**3,839,657**	3,918,007
Equity attributable to owners of the Company		**3,848,204**	3,926,566
Non-controlling interests		**40,150**	136,721
Total equity		**3,888,354**	4,063,287

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months ended 30 June 2024

	Attributable to owners of the Company												
	Share capital *RMB'000*	Treasury stock *RMB'000*	Share premium *RMB'000*	Share held for restricted share unit scheme ("RSU Scheme") *RMB'000*	Capital reserves *RMB'000*	FVTOCI reserves/ Revaluation reserves *RMB'000*	Translation reserves *RMB'000*	Share-based payments reserves *RMB'000*	Statutory reserves *RMB'000*	Retained profits *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At 1 January 2024 (unaudited)	8,559	(1,009)	2,109,563	(59,444)	(87,181)	24,745	(233)	24,416	321,086	1,586,064	3,926,566	136,721	4,063,287
Profit for the period	–	–	–	–	–	–	–	–	–	155,322	155,322	9,804	165,126
Other comprehensive income (expense) for the period	–	–	–	–	–	7,348	54	–	–	–	7,402	(4,442)	2,960
Total comprehensive income (expense) for the period	–	–	–	–	–	7,348	54	–	–	155,322	162,724	5,362	168,086
Purchase of shares under RSU Scheme	–	–	–	(2,188)	–	–	–	–	–	–	(2,188)	–	(2,188)
Repurchase of shares	–	(6,124)	–	–	–	–	–	–	–	–	(6,124)	–	(6,124)
Cancellation of treasury stock	(12)	5,315	(5,303)	–	–	–	–	–	–	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(742)	(742)
Disposal of subsidiaries *(note 20)*	–	–	–	–	–	–	–	–	–	–	–	(101,191)	(101,191)
Recognition of equity-settled share-based payments	–	–	–	–	–	–	–	6,016	–	–	6,016	–	6,016
Dividends recognised as distribution *(note 10)*	–	–	(239,333)	–	–	–	–	–	–	–	(239,333)	–	(239,333)
Exercise of RSU	–	–	227	2,478	–	–	–	(2,162)	–	–	543	–	543
At 30 June 2024 (unaudited)	8,547	(1,818)	1,865,154	(59,154)	(87,181)	32,093	(179)	28,270	321,086	1,741,386	3,848,204	40,150	3,888,354

Attributable to owners of the Company										
Share capital	Treasury stock	Share premium	Share held for RS Scheme	Capital reserves	FVTOCI reserves/ Revaluation reserves	Translation reserves	Share-based payments reserves	Statutory reserves	Retained
0									

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES	**574,566**	633,920
INVESTING ACTIVITIES		
Proceeds from disposal of other financial assets at FVTPL	**910,072**	431,755
Repayments from loans to associates	**120,222**	150,500
Proceeds from time deposits	**107,766**	4,360
Redemption of a debt instrument at amortised cost	**19,000**	–
Payment for settlement of derivative financial instruments	**10,102**	(16,529)
Bank interest income received	**7,985**	4,837
Dividends received from associates	**6,465**	–
Repayment of a loan receivable	**6,264**	164,000
Interest received from loans to associates	**589**	1,200
Interest received from debt instrument at amortised cost	**479**	490
Guarantee income received from an associate	**263**	–
Proceeds from disposal of equipment	**4**	32
Dividends received from equity investments	**3**	–
Payments for refundable rental deposits	**–**	(53)
Placement of time deposits	**–**	(16,758)
Investment in an associate	**–**	(140,449)
Repayment of security deposit for a loan receivable	**–**	(164,000)
Construction related deposits received	**–**	4,000
Placement of pledged bank deposits for derivative financial instruments	**(31)**	–
Purchase of equity instruments at FVTOCI	**(1,300)**	(100)
Advances of a loan receivable	**(6,262)**	–
Payment for development costs and purchase of other intangible assets	**(12,415)**	(14,079)
Purchase of property and equipment	**(30,365)**	(13,615)
Advances of loans to an associate	**(105,000)**	(147,000)
Net cash outflow on disposal of subsidiaries *(note 20)*	**(206,936)**	–
Purchase of other financial assets at FVTPL	**(1,026,776)**	(466,300)
NET CASH USED IN INVESTING ACTIVITIES	**(199,871)**	(217,709)

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
New borrowings raised	**1,720,050**	4,080,980
Loans raised from related parties	**2,800,161**	1,812,821
Withdrawal of pledged bank deposits for borrowings	**503,397**	211,358
Withdrawal of pledged wealth management products for bank borrowings	**104,639**	206,941
Proceeds received on exercise of RSU Scheme	**543**	–
Proceeds from other financial liabilities at FVTPL	**–**	92,115
Proceeds from disposal of partial interest in a subsidiary without losing control	**–**	23,000
Repayment of security deposits for borrowings	**–**	6,699
Temporary advance to a non-controlling shareholder of a subsidiary	**–**	(41,650)
Acquisition of additional interest in a subsidiary of the Company	**–**	(87,294)
Placement of wealth management products pledged for borrowings	**–**	(171,247)
Interest paid for lease liabilities	**(529)**	(584)
Purchase of shares under RSU Scheme	**(2,188)**	(10,693)
Repayment of lease liabilities	**(4,864)**	(6,169)
Payment on repurchase and cancellation of shares	**(6,124)**	(90,794)
Dividends paid to non-controlling shareholders of subsidiaries	**(29,226)**	–

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

On 28 February 2024, the Group entered into a capital injection agreement with the non-controlling shareholder of Wuxi Guojin Factoring Limited ("**WXGJ**") which agreed to contribute a total of RMB569,400,000 into WXGJ, an indirectly-held subsidiary of the Company. Upon the completion of the transaction on 29 February 2024, the Group's equity interest in WXGJ diluted from 80% to 49% with a loss of control.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from the application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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3. SEGMENT INFORMATION

The chief operating decision maker ("**CODM**"), being the executive directors of the Company, have determined that no segment information is presented other than entity wide disclosures throughout the reporting period, as the Group is principally engaged in providing platform-based technology services, digital financing solutions and sales of supply chain assets services mainly in the PRC, and the CODM, reviews the condensed consolidated financial position and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group.

The Company is an investment holding company and the principal place of the Group's operation is mainly in the PRC. Most of the Group's revenue, income and major non-current assets are principally derived from or located in the PRC.

4. REVENUE AND INCOME FROM PRINCIPAL ACTIVITIES

Revenue and income from principal activities for the period represents income received and receivable mainly from the provision of platform-based technology services, digital financing solutions and sales of supply chain assets in the PRC.

(i) Disaggregation of revenue from platform-based technology services

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Technology service for loan facilitation	**100,997**	29,501
Referral service	**50,913**	37,687
Technology service for asset-backed securitisation ("**ABS**") products	**1,038**	–
Supply chain technology services	**57**	16,651
Other services	**774**	225
	153,779	84,064

	Six months ended 30 June	
	2024	2023

(ii) Income from digital financing solutions

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Digital financing solutions		
– Interest income from supply chain assets	**257,652**	344,407
– Guarantee income	**16,469**	9,570
– Interest income from contracts containing significant financing components	**917**	

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Directors' emoluments	**2,588**	3,331
Other staff costs (excluding directors' emoluments)		
– Salaries, allowances and other staff benefits, including share-based payment expenses	**73,032**	62,706
– Staff's retirement benefit scheme contributions	**6,293**	5,731
Total staff costs	**81,913**	71,768
Less: amount capitalised in intangible assets	**(12,276)**	(10,843)
Less: amount capitalised in contract cost	**(510)**	(468)
Staff costs recognised in profit or loss	**69,127**	60,457
Depreciation of property and equipment	**878**	1,568
Depreciation of right-of-use assets	**6,520**	7,53062,706

12. INVESTMENTS IN ASSOCIATES

Details of the Group's investments in associates are as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cost of investments in associates, unlisted	**1,297,450**	562,698
Share of post-acquisition profit, net of dividends received	**54,610**	20,373
Share of post-acquisition OCI	**70**	(103)
	1,352,130	582,968

13. OTHER FINANCIAL ASSETS AT FVTPL

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Unlisted investment funds	**264,204**	245,351
Equity tranche	**318,381**	190,962
Wealth management products	**125,364**	102,685
Unlisted equity investments	**75,550**	75,550
Trust fund	**1,600**	1,529
	785,099	616,077

Asset-backed financing loans 456.3779 406.0529 cm0512 BDC BT/T1 1 Tf/T1 1 Tf8 0 0 8 497.2094 409.833 Tm098616,077
Current asseg purposes as:

14. SUPPLY CHAIN ASSETS AT FVTOCI

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Supply chain assets at FVTOCI	**5,720,255**	7,663,344
Analysed for reporting purposes as:		
Current assets	**5,710,692**	7,536,455
Non-current assets	**9,563**	126,889
	5,720,255	7,663,344

As at 30 June 2024, the effective interest rates of the supply chain assets at FVTOCI range mainly from 6.00% to 15.00% (31 December 2023: 4.90% to 14.00%) per annum.

As at 30 June 2024, the gross carrying amount of supply chain assets of RMB6,895,000 is past due (31 December 2023: RMB2,551,000). When analysing the credit quality of supply chain assets at FVTOCI, the entire outstanding of balance of the supply chain assets is classified as past due in the event that instalments repayment of a supply chain asset at FVTOCI is past due.

15. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Impairment losses recognised (reversed) on:		
– Supply chain assets at FVTOCI	**9,105**	(4,235)
– Financial guarantee contracts	**12,388**	(365)
– Receivables from guarantee customers	**(5)**	(24)
– Trade and bill receivables	**(43)**	–
– Loans to an associate	**(60)**	(9)
– Debt instrument at amortised cost	**(100)**	–
	21,285	(4,633)

16. TRADE AND OTHER PAYABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Settlement payables to customers and funding providers	**222,541**	96,713
Other tax payables	**57,454**	57,370
Construction payables	**48,759**	16,242
Accrued charges	**23,635**	71,889
Deposits from digital financing solutions customers	**3,027**	14,975
Dividend payable to shareholders of the Company	**2,090**	1,852
Trade payables	**4,723**	5,929
Dividend payable to a non-controlling shareholder of a PRC subsidiary	**–**	28,484
Other payables and deposits	**2,276**	1,298
	364,505	294,752

17. LIABILITIES ARISING FROM GUARANTEE CONTRACTS

	30 June 2024			31 December 2023		
	Premium less accumulated amortisation ***RMB'000*** **(Unaudited)**	**ECL provision** ***RMB'000*** **(Unaudited)**	**Carrying amount** ***RMB'000*** **(Unaudited)**	Premium less accumulated amortisation *RMB'000* (Audited)	ECL provision *RMB'000* (Audited)	Carrying amount *RMB'000* (Audited)
Guarantee contracts in relation to:						
– third parties	**21,219**	**32,390**	**34,275**	21,412	26,413	28,495
– associates	**2,515**	**10,456**	**12,065**	764	3,687	3,899
	23,734	**42,846**	**46,340**	22,176	30,100	32,394
Analysed for reporting purposes as:						
Current	**21,824**	**39,390**	**41,424**	22,176	28,784	31,078
Non-current	**1,910**	**3,456**	**4,916**	–	1,316	1,316
	23,734	**42,846**	**46,340**	22,176	30,100	32,394

The following is the maximum amount the Group has guaranteed under the contracts and details of liabilities arising from guarantee contracts.

	30 June 2024 ***RMB'000*** **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Guarantee contracts in relation to:		
– third parties	**3,071,197**	2,524,784
– associates	**6,334,604**	2,109,247
	9,405,801	4,634,031

18. BORROWINGS

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank borrowings and bills discounted	**1,821,399**	3,560,764
Bank loans under supplier finance arrangements	**531,912**	368,012
Entrusted loans	**290,525**	224,668
ABS issued	**–**	1,228,265
Other loans	**395,989**	838,277
	3,039,825	6,219,986
Secured	**2,408,259**	5,589,532
Unsecured	**631,566**	630,454
	3,039,825	6,219,986

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
The carrying amounts of the above borrowings are repayable*:		
– within one year	**2,774,779**	4,673,232
– within a period of more than one year but not exceeding two years	**140,832**	1,360,957
– within a period of more than two year but not exceeding five years	**124,214**	185,797
	3,039,825	6,219,986
Less: Amounts due within one year shown under current liabilities	**(2,774,779)**	(4,673,232)
Amounts shown under non-current liabilities	**265,046**	1,546,754

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

20. DEEMED DISPOSAL OF SUBSIDIARIES

(a) Disposal of WXGJ

On 28 February 2024, the Group entered into a capital injection agreement with the non-controlling shareholder of WXGJ which agreed to contribute a total of RMB569,400,000 into WXGJ, an indirectly-held subsidiary of the Company. Upon the completion of the transaction on 29 February 2024, the Group's equity i85.180. pTnr4he

(b) Disposal of Ý Ç N-88Å¦K1, *Õ5Y° Œ, Ý Ç N-88Å¦K2, *Õ5Y° Œ, Ý Ç N-88Å¦K3, *Õ5Y° Œand Ý Ç N-88Å¦K4, *Õ5Y° Œ(collectively, the "CMS-SY ABSs")

As being the assets service agency of CMS-SY ABSs and held the equity tranche interests in these structured entities, the Group considers it has control over such structured entities and these structured entities are consolidated by the Group. With the deemed disposal of WXGJ, the directors of the company considered the Group has loss the control over CMS-SY ABSs as the Group has loss control over WXGJ, which being the assets service agency of these structured entities. On the same day, the Group's retained equity tranche interests over CMS-SY ABSs was remeasured to its fair value and accounted for as other financial assets at FVTPL.

	29/2/2024 *RMB'000*
Analysis of assets and liabilities over which control was lost:	
Deferred tax assets	519
Supply chain assets at FVTOCI	374,843
Loans to WXGJ	586,215
Amount due from WXGJ	376,247
Cash and cash equivalents	6,271
Borrowings	(1,215,456)
Net assets disposed of	128,639
Gain on disposal of a subsidiary:	
Fair value of equity tranche of CMS-SY ABSs	131,860
Net assets disposed of	(128,639)
Reclassification of cumulative FVTOCI reserves upon disposal of WXGJ and CMS-SY ABSs to profit or loss	821
Gain on disposal	4,042
Net cash outflow arising on disposal:	
Cash consideration	–
Less: cash and cash equivalents disposed of	6,271
	(6,271)

21. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group signed an agreement in July 2024 with Future Gold Enterprises Limited for the acquisition of 100% of Great Style Holdings Limited (the "**Great Style**") for a cash consideration of RMB300,000,000 and the Group agreed to pay an additional contingent consideration of up to RMB500,000,000 in aggregate subject to the fulfilment of the performance targets of Great Style. The acquisition has been accounted for as acquisition of business using the acquisition method and was completed in July 2024. At the time of the financial statements are authorised for issue, the Group is undergoing purchase price allocation for the acquisition of business. Accordingly information about the allocation of the purchase price

PUBLICATION

This interim results announcement published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.syholdings.com) respectively.

By order of the Board
SY Holdings Group Limited
Tung Chi Fung
Chairman

Hong Kong, 20 August 2024

As at the date of this announcement, the Board comprises two Executive Directors: Mr. Tung Chi Fung and Mr. Chen Jen-Tse; one Non-executive Director: Mr. Lo Wai Hung; and four Independent Non-executive Directors: Mr. Loo Yau Soon, Mr. Fong Heng Boo. Mr. Tang King San Terence and Ms. Chan Yuk Ying Phyllis.

The English transliteration of the Chinese name(s) in this announcement, where indicated with "", is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

Unless otherwise stated, translation of RMB into HK$ is based on the approximate exchange rate of RMB1.00 to HK$1.10 for information purpose only.