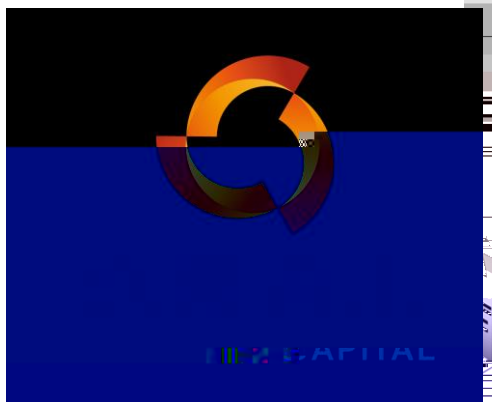


2021 Interim Results Presentation



Driving supply chain efficiency | Making finance more inclusive

Disclaimer

Important Notice

The information, statements and opinions set out in this presentation and accompanying discussion (“this Presentation”) are for informational and reference purposes only and do not constitute a public offer for the

Key Management Team



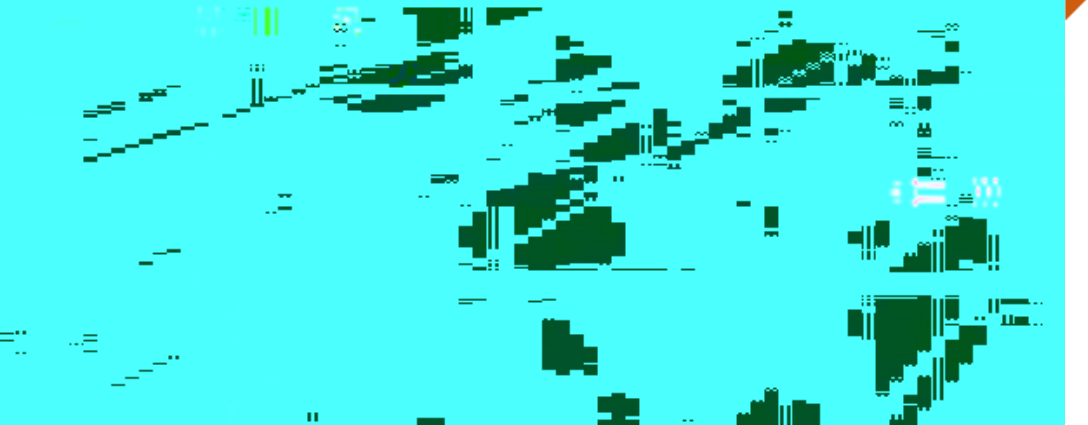


- Has over 20 years of experience in the factoring industry
- Held various positions in different financial institutions prior to joining the Group



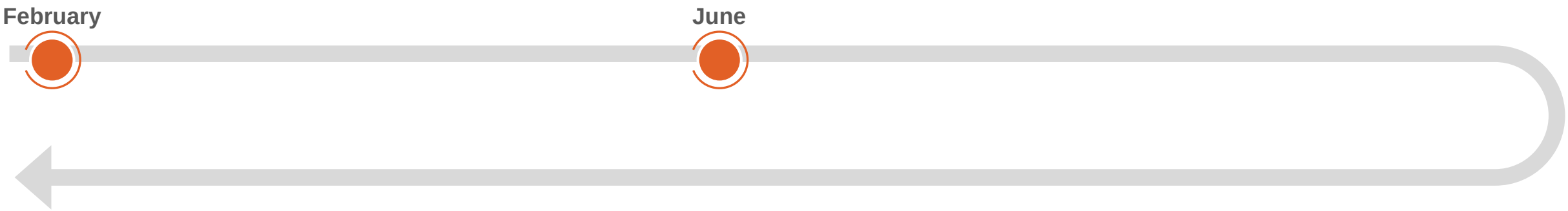


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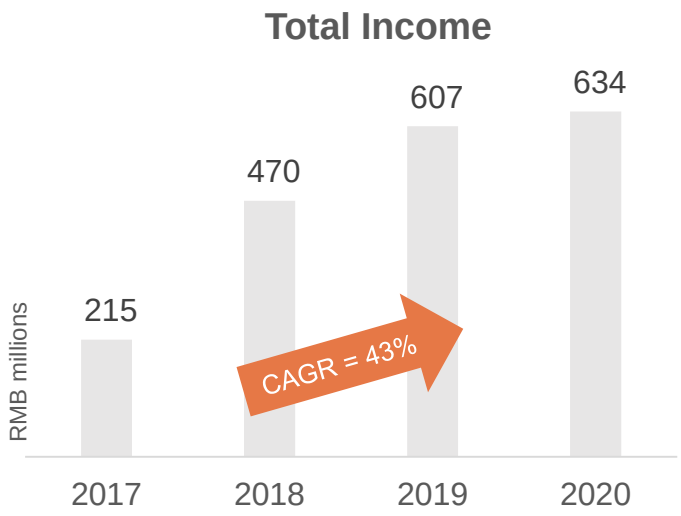


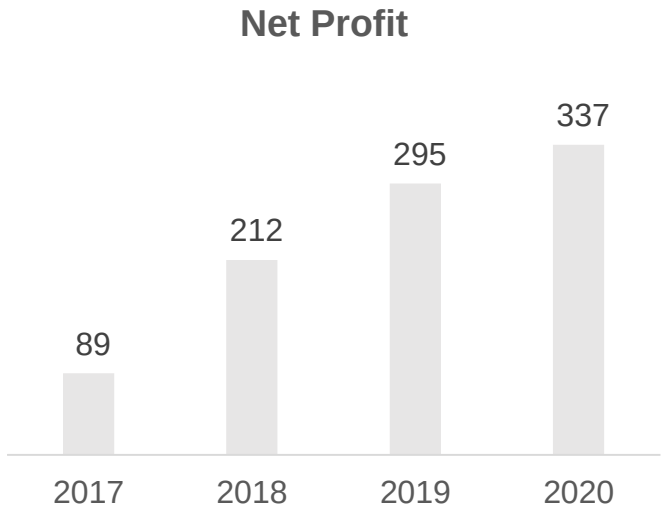
1. **Business Update**
2. Sector Outlook
3. Technology Deployment
4. Corporate Responsibility
5. Financial Highlights

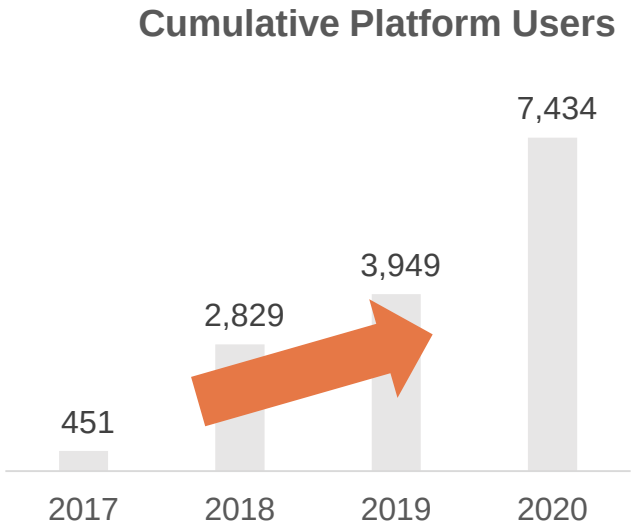
Key milestones

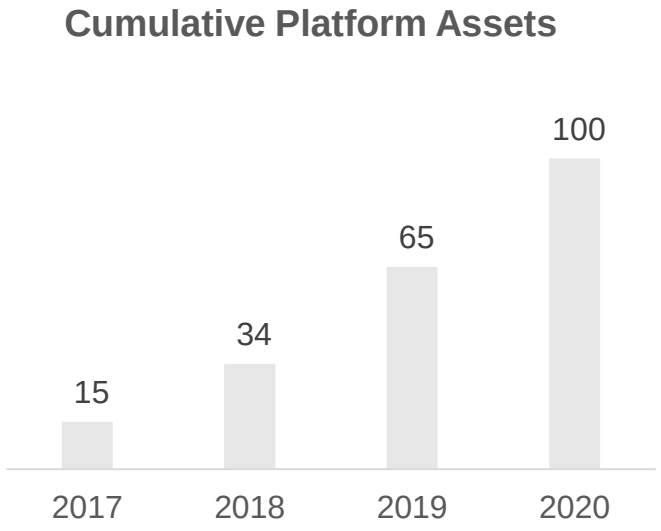


Our track record of growth since listing









Platformisation in full force

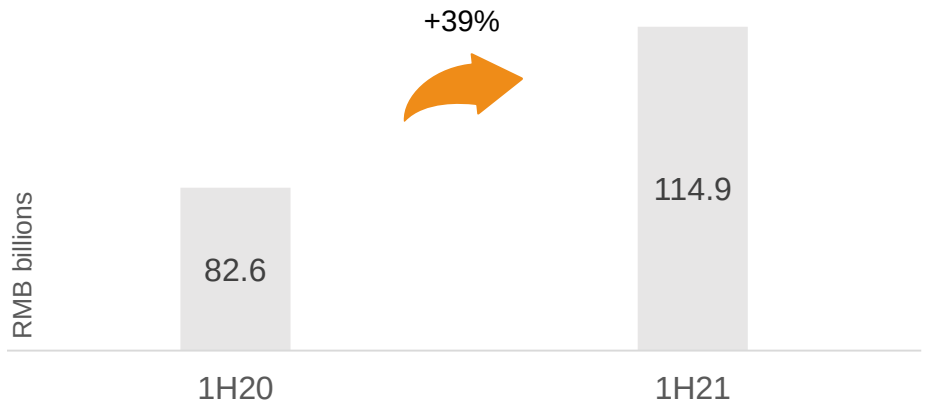
+39%
Total assets managed

>70%
Total platform users

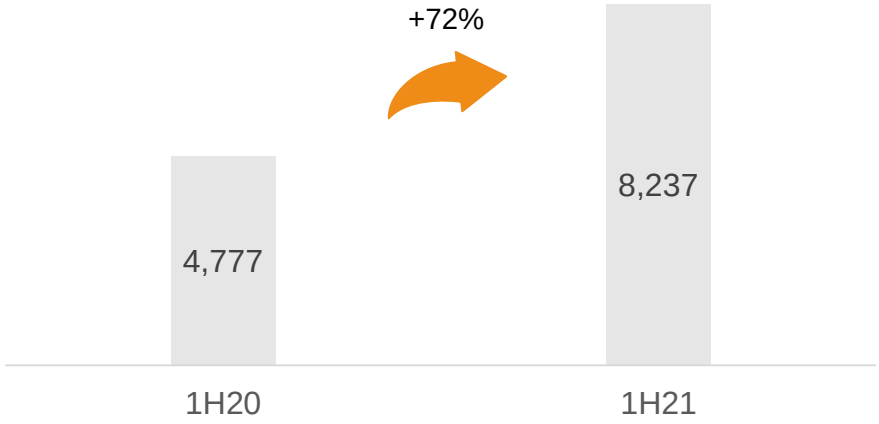
~2.9x
Daily average loan facilitation balance

>80%

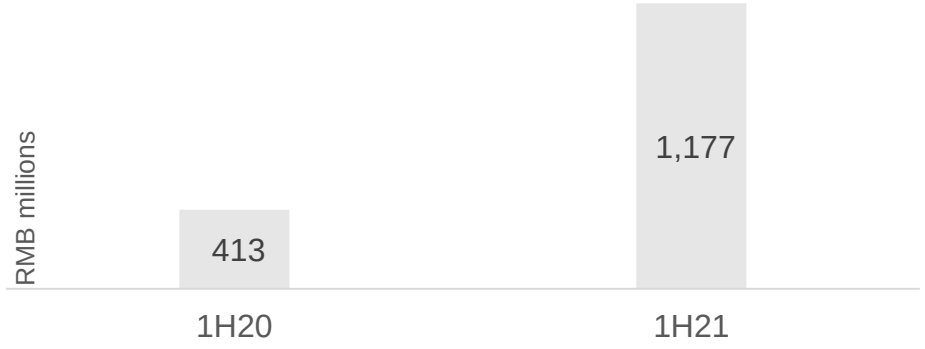
Cumulative Assets Under Management



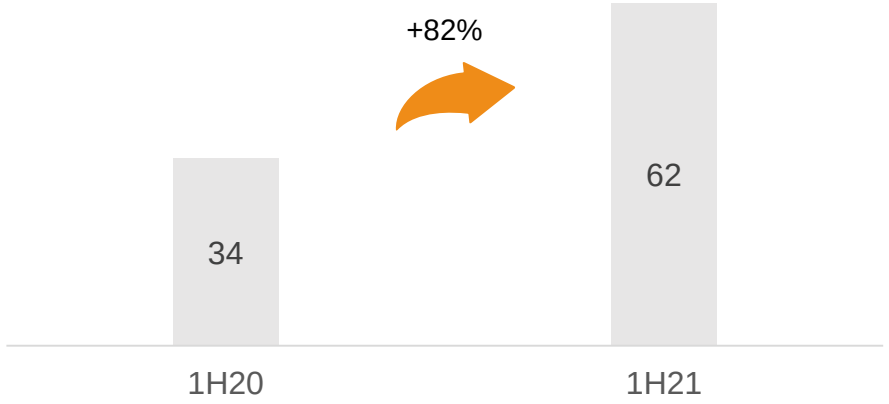
Total Platform Users



Daily Average Loan Facilitation Balance



Platform Funding Partners



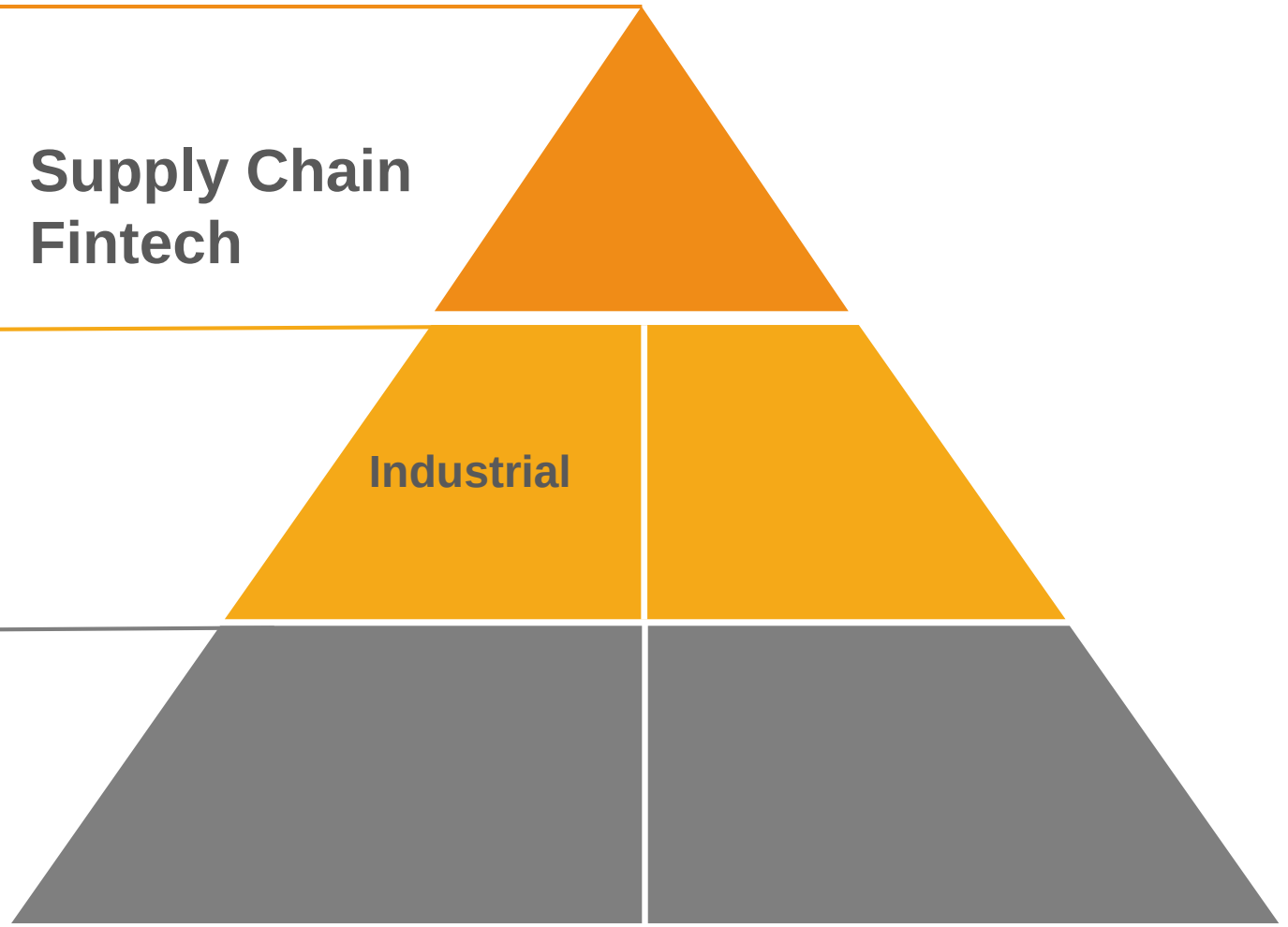
Dual-Engine + One Platform Strategy

1 Platform

Supply Chain
Fintech

2 Engines

N Verticals



IoT-driven supply chain finance model

SME Supply Chain Financing Model





Flexible supply chain finance services: driven by digital technology

Paving the way with business innovation

ABS Innovation - Providing end-to-end service



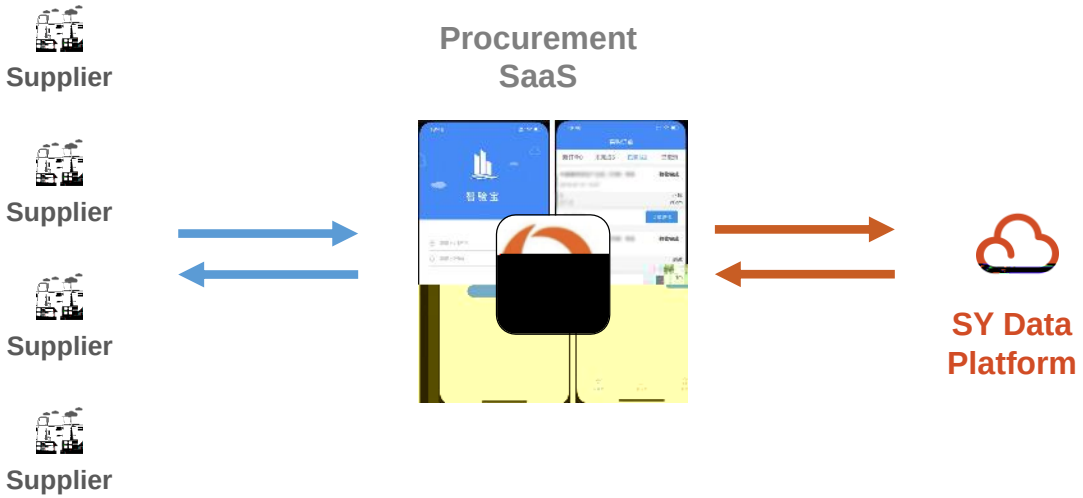
End-to-end ABS service offering

Multi-dimensional data cross-checking

Including non-confirmation factoring assets supported by proactive risk management appraoch

AAA rated: achieved a **low issuance coupon rate of 3.6%**

SaaS and IOT-driven service innovation



Core enterprises: No need for confirmation or use of credit limits to support supplier financing, reducing procurement costs

SME Suppliers: using flexible financing to scale business development

SY Technology: Data acquisition and verification, strengthen customer acquisition and risk management capabilities

Strategic investments into industrial technology

Consumer medical SaaS+ supply chain digital finance

SaaS-powered Engineering management + supply chain digital finance

LinkedCare: A Leading Consumer Healthcare SaaS Player in China

China's Largest	80%	30,000+	RMB230 billion
dental clinic SaaS service provider	share in high-end dental market	clinics covered	



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1. Business Update
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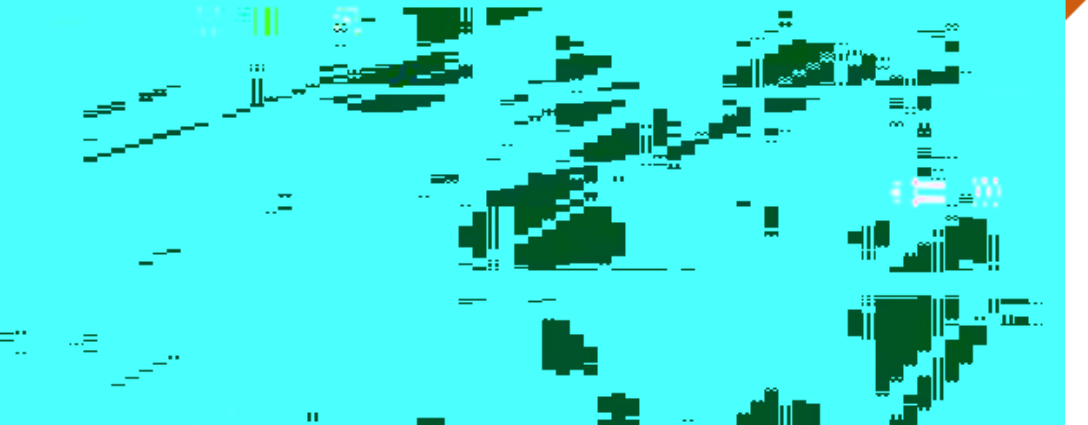




2020



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Smart verification

- Integration with PBOC Credit Reference Center and account receivables (“AR”) registry platform for facilitating **automated** verification
- Automated verification requires only **0.5s** for a single query

Solutions for smart construction

Emergence of smart construction sites

Smart construction sites has evolved to harness **AI, Big Data, IoT** and other advanced technologies including real-time, dynamic collection. This allows companies to achieve intelligent site management, save energy and reduce emission, monitor IOT, implement safety management and other integrated applications.

- Going green
- Waste
- IoT
- Manual
- Security
- Lack of security
- AI
- Traditional management

Project management dashboard

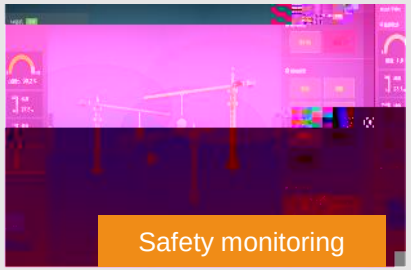




Tower crane monitoring



Elevated surveillance



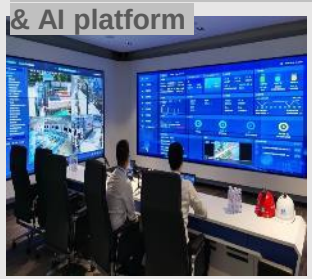
Safety monitoring

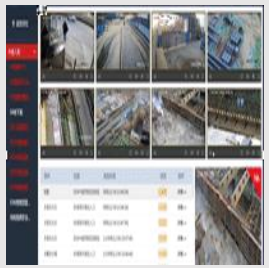


Panoramic surveillance

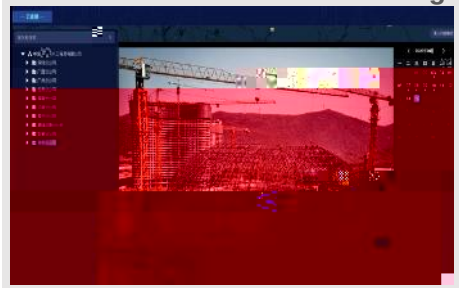


5G-enabled surveillance workstation & AI platform





Cloud-enabled live streaming

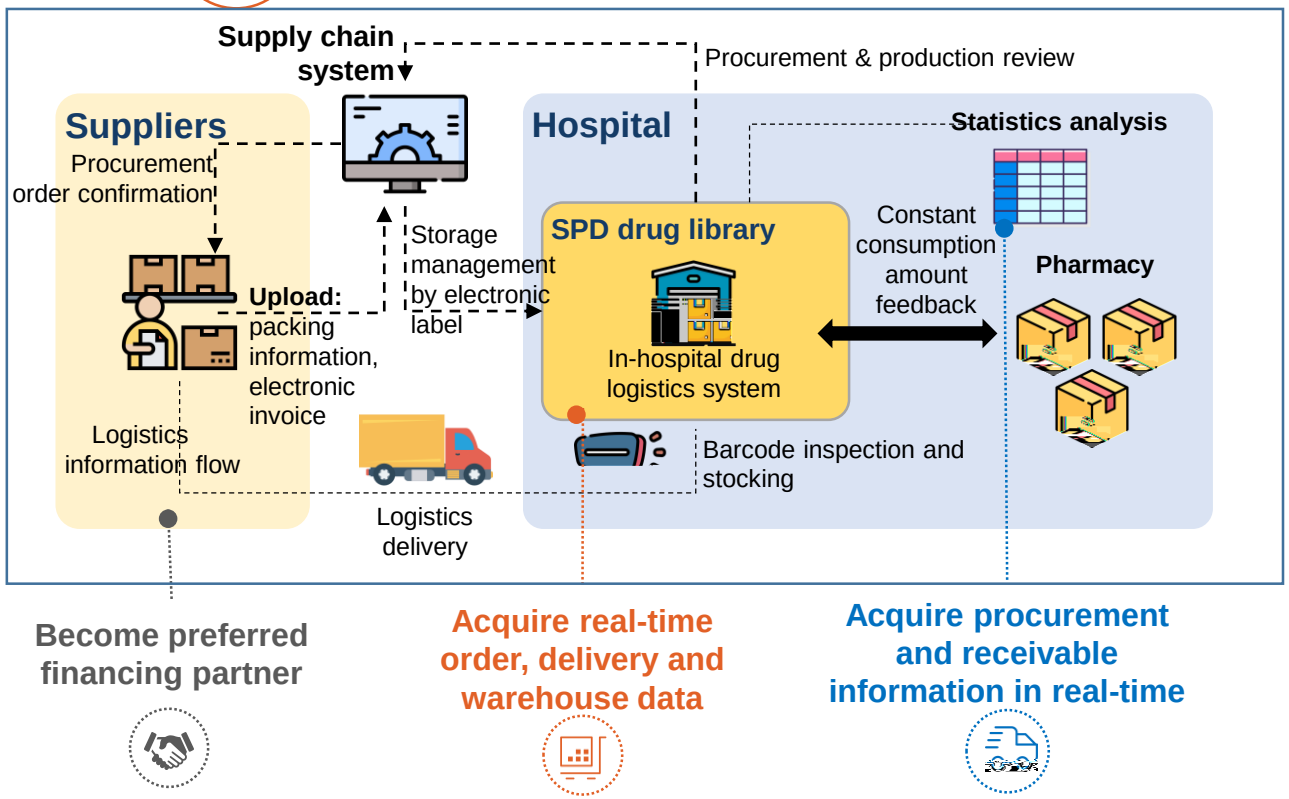


Healthcare SPD smart supply chain management

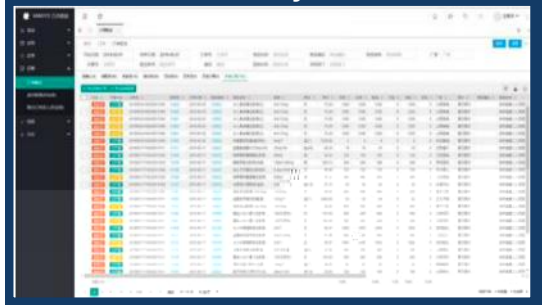
Healthcare SPD smart supply chain management

1. Work closely with core enterprises, assist hospitals in the implementation of their SPD supply chain platforms for enhanced management
2. Provide more efficient financing solutions through leveraging data integration

System implementation and holistic solution



Purchase and delivery of orders



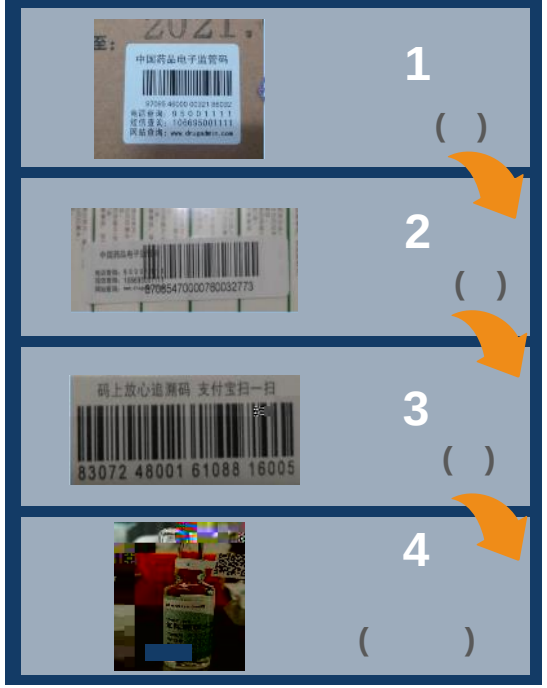
Pharmaceutical smart shelving



Business intelligence and analytics



Four-tiered packaging and coding

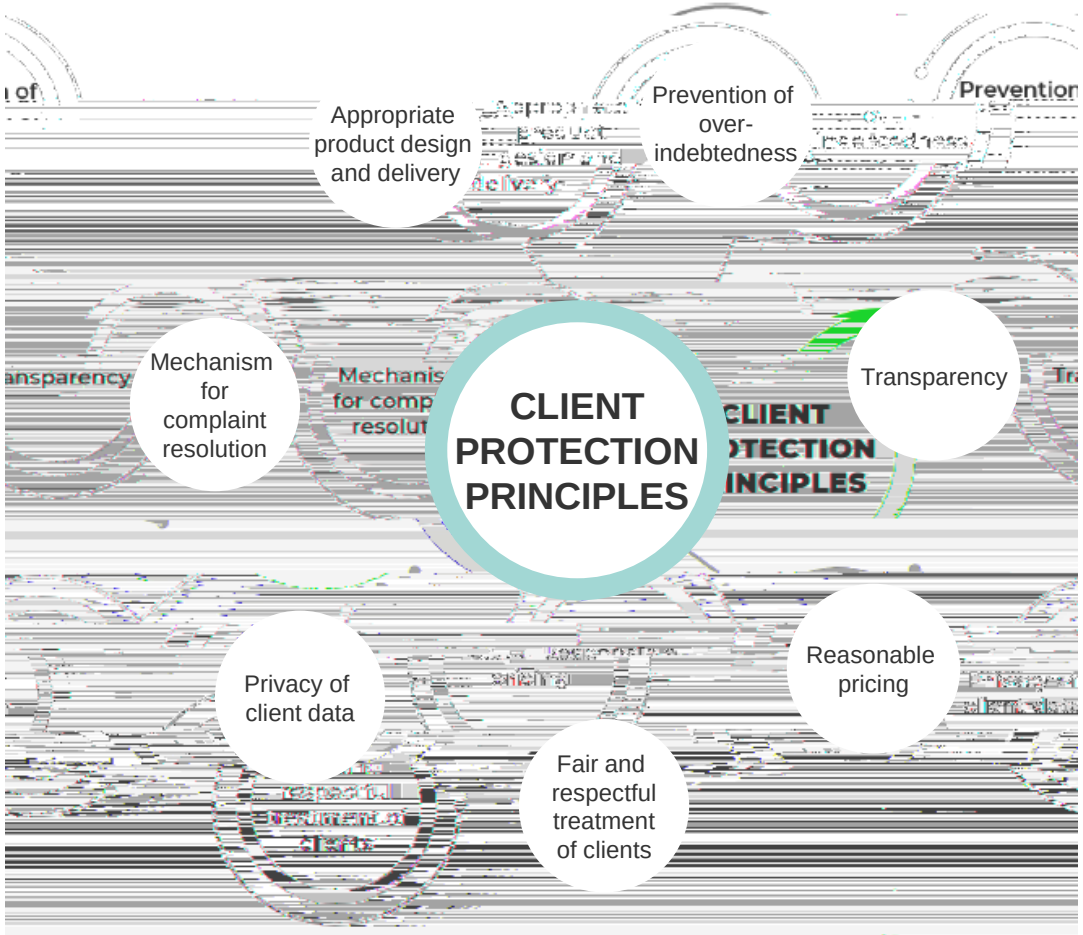


Closed-loops tracking platform



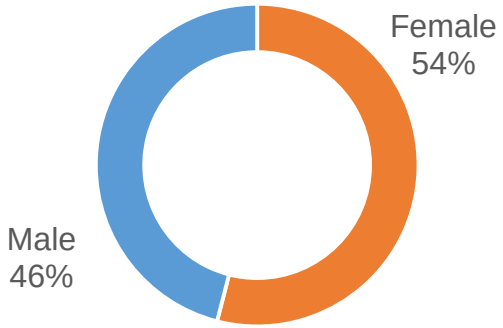
Responsible Inclusive Finance Model

Responsible
Inclusive Finance
model



MSCI ESG RATINGS A

*Note: Effective 6 September 2021


Female
54%
Male
46%

Our commitment to social responsibility

In addition to supporting SMEs in their financing needs, we are also active in various charitable and socially responsible activities.

98%

Loan disbursement to small and medium enterprises

RMB

3 million

Average loan size + extension fee waiver

180+

hours

Dedicated to charitable activities













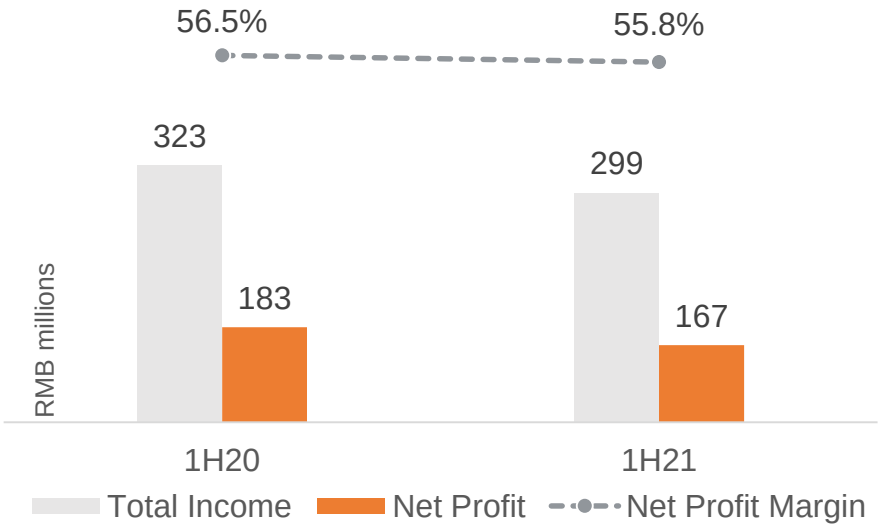


Robust quality of earnings driven by technology transformation

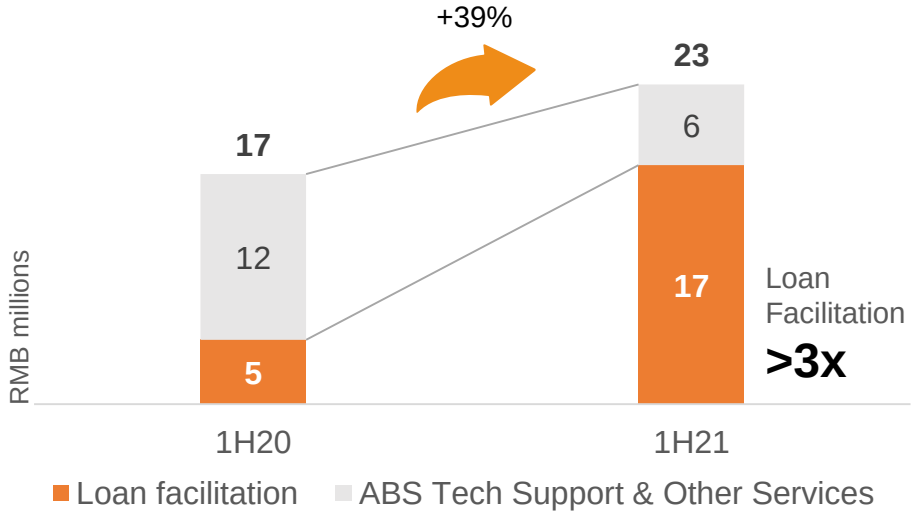
In line with our strategy, we experienced a slight decline in revenue due to our shift towards a platform-based strategy to achieve higher earnings quality.

Our business model remains fundamentally sound, with total factoring assets^ increasing 22% year-on-year while maintaining profitability at over 50%.

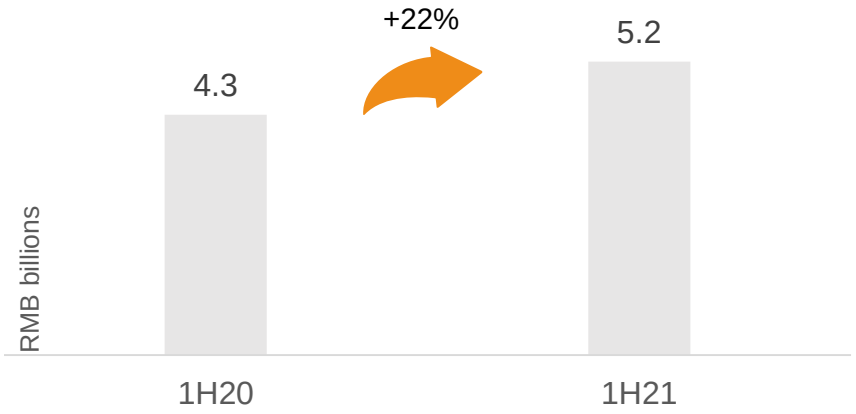
Total Income and Net Profit



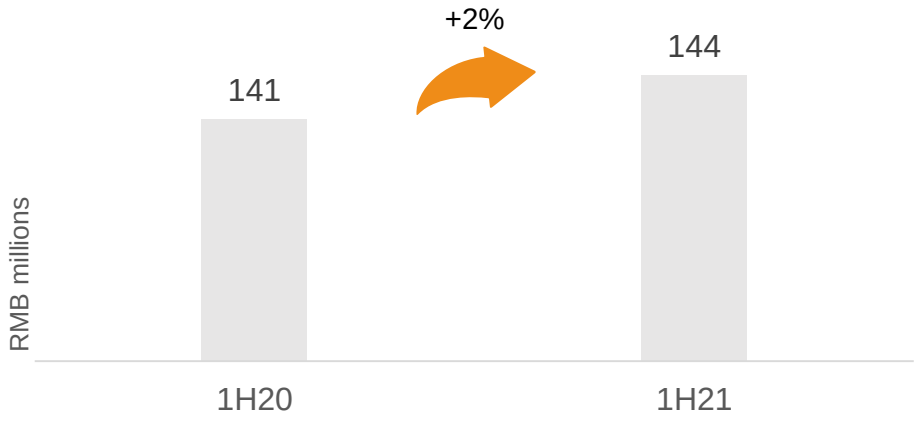
Platform-based Services



Daily Average Balance of Factoring Assets^



Adjusted Net Profit*



^ includes self-funded and platform-originated (loan facilitation) assets

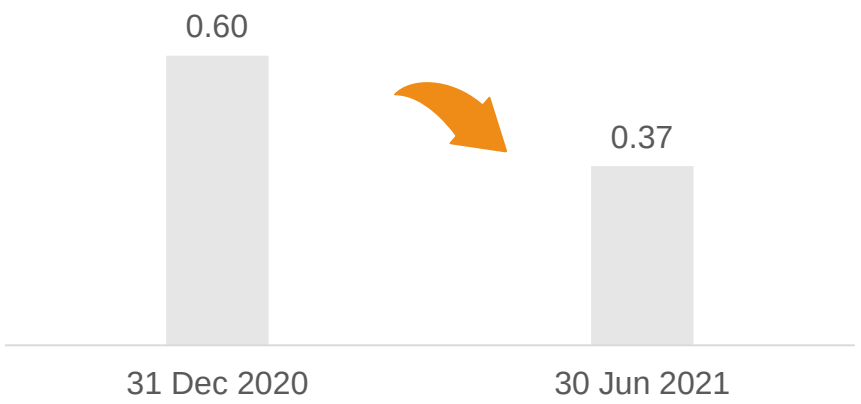
*Excluding gains from changes in FV of equity tranche financial assets

Key Financials

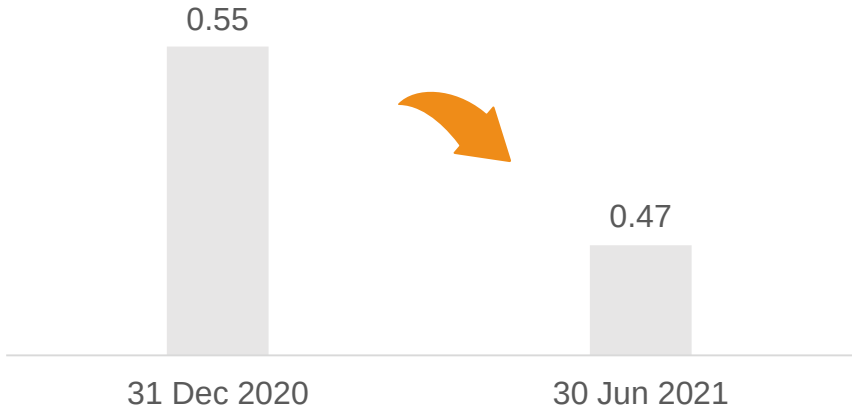
Factoring NPL % was lower as of 30 June 2021 as compared to 31 December 2020 due to partial recovery of some loans over the period.

We had lower overdue % due to changes in our factoring portfolio risk exposure as well as overall improvement of asset quality across the platform.

Factoring NPL %



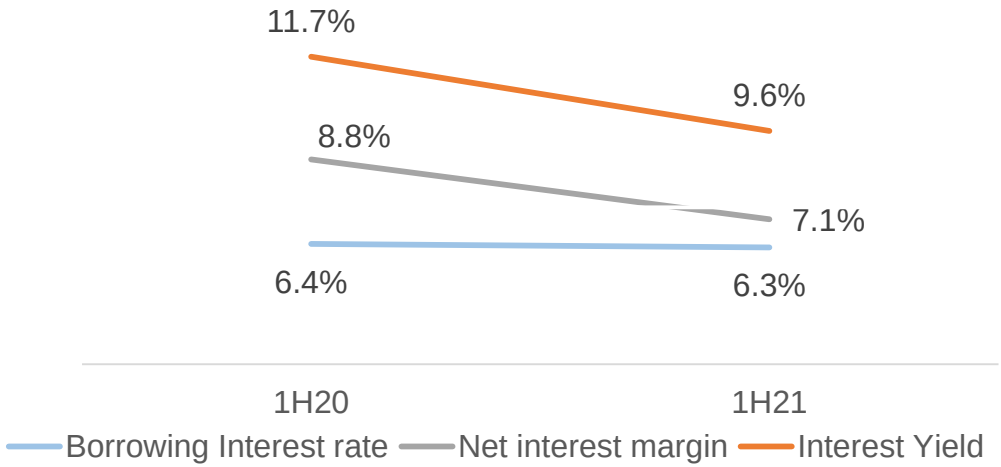
Overdue %

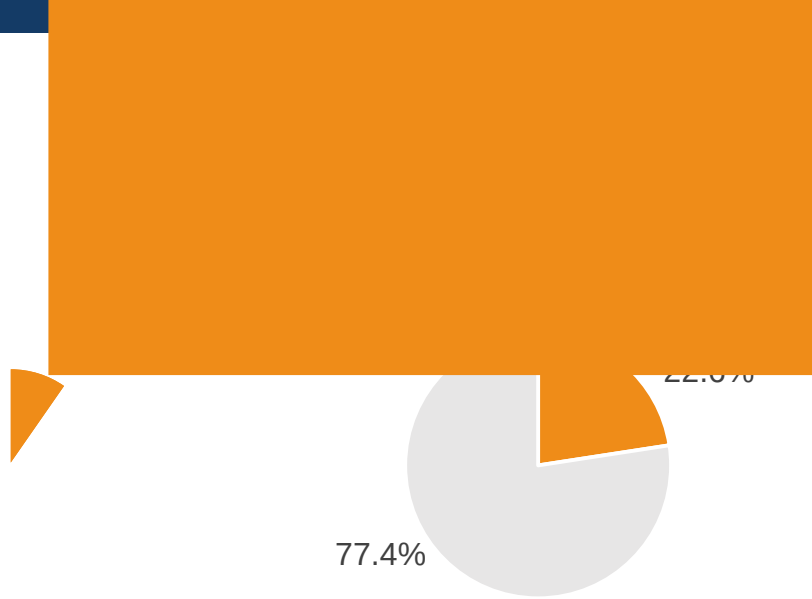


Note:

- Factoring NPL ratio = End of period gross carrying amount of NPL / End of period gross carrying amount of total factoring assets x 100%
- The Group continues to strengthen its risk management in 2021 with prudent operation and rigorous selection of clients while enhancing business development

Key Financials



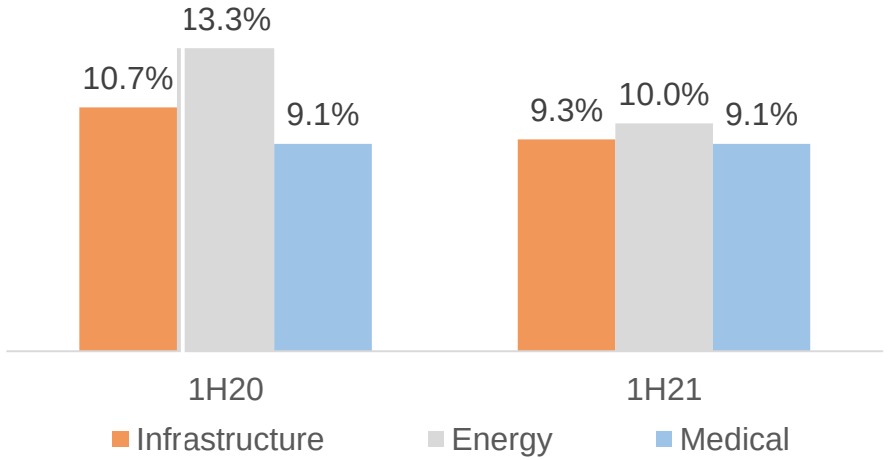


Sector Mix

based on daily average factoring asset balance*

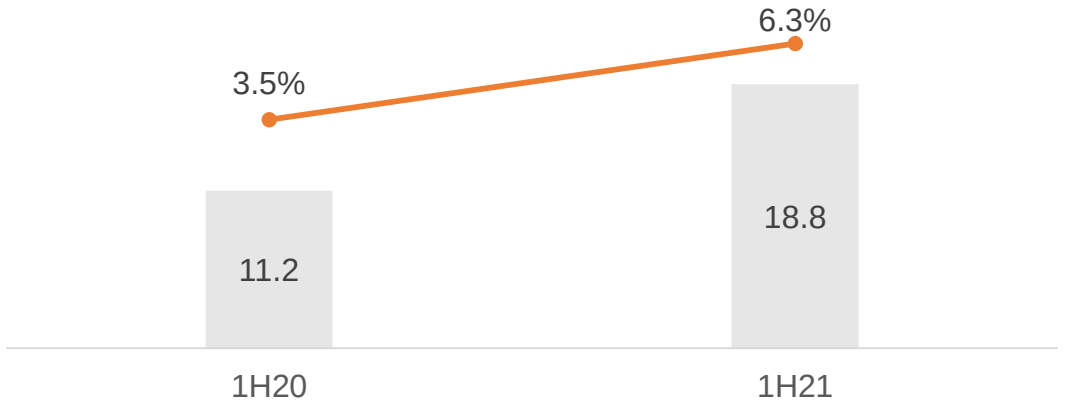
Sector Yield

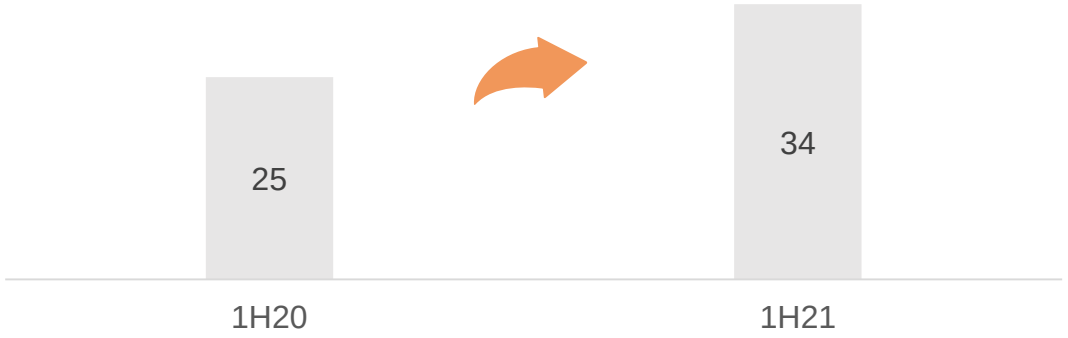
based on daily average factoring asset balance



Cost structure







Q&A

Stock Code
6069.HK

Driving supply chain efficiency, making finance more inclusive

www.shengyecapital.com

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

A Leading Supply Chain Fintech Platform

Appendix: Simplified Income Statement



Appendix: Simplified Balance Sheet

	As at 31 Dec 2020 RMB'000	As at 30 Jun 2020 RMB'000	As at 30 Jun 2021 RMB'000	YoY change
Non-current assets				
Intangible assets	22,218	19,504	25,494	30.7%
Investment in associates	150,911	140,748	162,541	+15.5%
Total non-current assets	**324,078**	**207,743**	**390,663**	**+88.1%**
Current assets				
Financial asset at FVTPL	30,878	48,268	126,357	+161.8%
Factoring assets at FVTOCI	3,789,922	3,947,696	4,253,048	+7.7%
Pledged bank deposits	255,489	175,552	320,522	+82.6%
Bank balances and cash	348,715	211,448	301,333	+42.5%
Total current assets	**4,462,420**	**4,446,660**	**5,100,446**	**+14.7%**
Total assets	**4,786,498**	**4,654,403**	**5,491,109**	**+18%**
Factoring assets/ total assets %	79%	85%	78%	-7 pts
Current liabilities				
Other payables ai assets				

Appendix: Key Operating Metrics

	FY2020	1H2020	1H2021	YoY change
Daily Averages (RMB'000)				
Factoring asset balance	3,931,383	3,859,834	4,037,432	+4.6%
Borrowings	1,710,282	1,709,545	1,540,493	-9.9%
Loan Disbursement	13,124,958	6,516,242	6,604,491	+1.4%
Operational KPIs (using daily averages)				
Net profit margin	53.2%	56.5%	55.8%	-0.7 pts
Interest yield from factoring services	11.3%	11.7%	9.6%	-2.1 pts
Borrowing interest rate (excl. one-off expense)	6.6%	6.4%	6.3%	-0.1 pts
Net interest margin (excl. one-off expense)	8.4%	8.8%	7.0%	-1.8 pts
Operational cost to income	29.2%	26.5%	29.3%	+2.8 pts
Return Ratios				
ROA (on factoring assets)	8.8%	9.4%	8.3%	-1.1 pts
ROA (on total assets)	7.3%	8.0%	6.5%	-1.5 pts
Balance Sheet Ratios				
Total asset / Total equity	158%	183%	175%	-8 pts
Total asset / Total liability	272%	220%	234%	+14 pts
Gearing ratio Total liability				