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1. Company Overview

SY Holdings Group Limited (stock code: 6069.HK) is a leading supply chain technology platform providing data-driven efficient and inclusive financing solutions for companies across the Asia-Pacific. The company is a constituent of the MSCI Small Cap China Index, Hang Seng Composite Index, Hang Seng Corporate Sustainability Index and the Shenzhen-Hong Kong Stock Connect. Notable institutional investors in the company include China Taiping Insurance, Olympus Capital, Temasek Holdings and Wuxi Communications Industry Group.

SY leverages its technology platform to offer a range of flexible supply chain financing -based lending as well as loan guarantee services to meet the vast financing needs of underserved small, medium,

Through its technology platform, the Group analyses and reviews multidimensional data to validate the creditworthiness of the underlying transactions relating to the supply chain financing, the collection of AR on behalf of customers, including periodic customer reporting relating to their supply chain financing.

ates a comprehensive suite of technologies such as electronic signatures, optical character

sk management system, as well as to ensure a seamless customer experience for online application and the approval process.

By leveraging on its industrial insights and position within the ecosystem, SY delivers reliable, tailored, and comprehensive supply chain solutions to its customers, especially to underserved SMEs and projects that serve the public interest. This initiative is

access to capital. The Group also combines its industry domain knowledge and technology to assist companies in the area of industrial digitalization, upgrading their infrastructure, increasing efficiency and cohesiveness, thereby ensuring business continuity and stability for SMEs



3. Social Financing Framework

As part of its continued commitment to sustainability, the Group established the Social Financing its social bonds Social B . As part of its commitment to sustainability and social impact, SY has developed this Framework in accordance with the International Capital Markets Association (ICMA) Social Bond Principles April 2021 Social Loan L [2] April 2021 and their four key pillars:

Under this Framework, SY and its subsidiaries can issue Social Bonds and/or Social Loans for general social purposes to an amount commensurate with the net proceeds which will be allocated to projects within one or more of the Eligible Project categories under this Framework.

3.1. Use of proceeds

The net proceeds of the Social Bonds or Social Loans will be used finance new or existing projects[3] from the Eligible Project categories as Social The Eligible Social Projects are expected to be located throughout .

[2] https://www.lma.eu.com/application/files/2016/4623/8946/SLP_Guidance.pdf
[3] Includes account receivables assets financed by the Group

The Group plans to fully allocate each Social Bond or Social Loan that meet at least one of the categories outlined below:

Category	Eligibility Criteria	Social Objective
SME Lending Improving access to capital and facilitating integration into supply chains	[redacted]	

Category	Eligibility Criteria	Social Objective
	• Construction/renovation/extension of multi-disciplinary healthcare centres • Purchase of healthcare consumables • Equipment and infrastructure used in the provision of medical care and disease control services Targeted populations: • Hospitals and/or clinics for the general public • Healthcare companies engaged in the manufacture, procurement and delivery of basic medical supplies and consumables	

3.2. Process for project evaluation & selection

- Ensure each Social Bond and Social Loan is aligned with the Principles and Social Loan Principles 2021
- Oversee implementation to ensure that the Social Bond and/or Social Loan proceeds are used in accordance with the criteria defined in this Framework document
- Monitor the existing Eligible Social Projects to ensure that they maintain the criteria defined in this Framework

In the event (i) a loan does not meet the Eligibility Criteria; (ii) there are any early loan repayments; or (iii) the loan is repaid before maturity; the Group will undertake to replace such loans with new loans selected based on the Eligibility Criteria set out above. Under this Framework, the Group has also defined an exclusionary list prohibiting any activities involving child labour, the gambling industry, adult entertainment activities, controversial weapons manufacturing, fossil fuel-based operation and transportation of fossil fuel, palm oil production.

SY commits to updating the Social Financing Framework with the goal of adhering with the most up-to-date and best market practices.

3.3. Management of proceeds

Finance Department will track the allocation of net proceeds for each Social Bond and/or Social Loan to the Eligible Social Projects as defined in this Framework. Any unallocated net proceeds will be invested in accordance with cash investment policy.

The Group, on a best-efforts basis, will allocate all the Social Bond and/or Social Loan proceeds to the Eligible Projects within 12 months of issuance.

3.4. Reporting

Allocation Reporting

SY will report the allocation of the net proceeds for each Social Bond and/or Social Loan annually until it has been fully allocated. Details of the use of proceeds will be published on the C or reported in its annual ESG Report within a year of issuance.

To the extent practicable, the details of the report will include:

- A summary of the Eligible Social Projects funded
- The total amount of proceeds allocated
- The balance of any unallocated proceeds

Impact Reporting

SY will report the social impacts arising from the Eligible Social Projects funded where feasible using key performance metrics such as:

- Total SMEs funded, total loans disbursed to SMEs, quantity of medical consumables funded, length of roads and/or bridges constructed, etc and/or other relevant metrics where applicable.

4. Alignment of Use of Proceeds with the UN SDGs

Eligible Social Projects contribute to the achievement of the following UN Sustainable Development Goals:

SME Lending		**8.1** Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries **8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors **8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services **8.10** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all **9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all **9.2** Promote inclusive and sustainable industrialization and, and gross domestic product, in line with national circumstances, and double its share in least developed countries **9.3** Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets **9.7** Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities **9.8** Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020 **10.9** Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes
Access to Essential Services		**3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care

services and access to safe, effective, quality and affordable essential medicines and vaccines for all

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6. References

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https://www.icmagroup.org/sustainable-finance/sustainable-bonds-database/#Templatesforissuers

The 17 sustainable development goals (SDGs), United Nations
https://www.un.org/development/desa/disabilities/envision2030.html

Bridging the infrastructure gap to achieve the SDGs Wu Hongbo
https://www.un.org/en/desa/bridging-infrastructure-gap-achieve-sdgs

Official sources that define SMEs in China:
China Government website: http://www.gov.cn/zwgk/2011-07/04/content_1ni