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H DI G G M I ED

DISCLOSEABLETRANSACTION– DISPOSALOFACCOUNTSRECEIVABLE

THEDISPOSALAGREEMENT

On 23 February 2023, SY Factoring entered into the Framework Disposal Agreement with the Purchaser pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivables from SY Factoring in an aggregate amount of not more than RMB5 billion.

Pursuant to the terms of the Framework Disposal Agreement, on 27 November 2023, SY Factoring entered into the Disposal Agreement with the Purchaser, pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable at a consideration of approximately RMB80.2 million.

THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are set out as follows.

Date: 27 November 2023

Parties:

(1) The Purchaser, a company established in the PRC with limited liability and principally engaged in trust business. As at the date of this announcement, to the knowledge of the Directors, the identity of the de facto controller of the Purchaser is the Department of Finance of Yunnan Province (雲南省財政廳) which is principally engaged in supervision and management of finance and taxation within Yunnan Province, PRC. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

(2) SY Factoring, an indirect wholly owned subsidiary of the Company whose principal business is, among other things, commercial factoring.

The Accounts Receivable to be disposed of

The book value of the Accounts Receivable was approximately RMB76.2 million. The Accounts Receivable was comprised of accounts receivable due from the Debtor. The expiry date of the Accounts Receivable was 7 November 2024.

On 27 November 2023, SY Factoring and the Purchaser entered into the acknowledgement of disposal with the Debtor pursuant to which the parties confirmed the book value of the Accounts Receivable. Further,

The Group entered into the Disposal Agreement with the intention of improving the cash flow of the Group, managing the Group's supply chain assets portfolio and providing funds for the Group's digital financing solutions business.

Given that the Disposal Agreement was conducted in the ordinary and usual course of business of SY Factoring and under normal commercial terms, the Directors are of the view that the terms of the Disposal Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

All relevant applicable percentage ratios for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Disposal Agreement on standalone basis are less than 5%; therefore, the Disposal Agreement on standalone basis does not constitute a discloseable transaction of the Company and is not subject to any disclosure requirements pursuant to Chapter 14 of the Listing Rules.

Nevertheless, the Directors consider that since the Previous Disposal Agreements and the Disposal Agreement were entered into by the Group with the same Purchaser within 12 months, the transaction contemplated under the Disposal Agreement shall be aggregated with the transactions under the Previous Disposal Agreements under Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Disposal Agreement on aggregate basis exceeds 5% but is less than 25%, the Disposal Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

"Accounts Receivable"	the accounts receivable to be disposed of pursuant to the Disposal Agreement
"Board"	the board of Directors
"Company"	SY Holdings Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange (stock code: 6069)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Debtor"	the underlying debtor of the Accounts Receivable which is principally engaged in the wholesale distribution of petroleum and petroleum products
"Director(s)"	the director(s) of the Company

"Disposal Agreement"	The accounts receivable disposal agreement between SY Factoring and the Purchaser dated 27 November 2023 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable
"Framework Disposal Agreement"	the framework disposal agreement between SY Factoring and the Purchaser dated 23 February 2023 pursuant to which SY Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivables from SY Factoring in an aggregate amount of not more than RMB5 billion
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	the independent third party(ies) who is/are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
"Khorgos Yong Zhuo Factoring"	霍爾果斯永卓商業保理有限公司

"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"SY Factoring"	盛業商業保理有限公司 (SY Factoring Limited), a company established in the PRC and a subsidiary of the Group
"Zhongdeng Net"	中國人民銀行征信中心動產融資統一登記系統 (the People's Bank of China Credit Reference Center Movables Financing Unified Registration System*), a registration system for transfer of accounts receivables in the PRC established under the property law of the PRC
"%"	per cent

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

Hong Kong, 27 November 2023

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.