

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SY HOLDINGS GROUP LIMITED

盛業控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6069)

DISCLOSEABLE TRANSACTION – CONSTRUCTION AGREEMENT FOR THE EAST CHINA REGIONAL HEADQUARTERS BUILDING

CONSTRUCTION AGREEMENT

The Board hereby announces that on 20 June 2023, Shengzhi Construction Development, an indirect wholly-owned subsidiary of the Company, entered into the Construction Agreement with Huaming Baoxin in relation to the construction of the Group's East China regional headquarters building in the Wuxi Economic Development District, Jiangsu Province, the PRC with a total contract sum of RMB450,000,000.00 for the construction work.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.04(9) of the Listing Rules) in relation to the transaction contemplated under the Construction Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board hereby announces that on 20 June 2023, Shengzhi Construction Development, an indirect wholly-owned subsidiary of the Company, entered into the Construction Agreement with Huaming Baoxin in relation to the construction of the Group's East China regional headquarters building in the Wuxi Economic Development District, Jiangsu Province, the PRC with a total contract sum of RMB450,000,000.00 for the construction work.

CONSTRUCTION AGREEMENT

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

Date	20 June 2023
Parties	<p>(1) Shengzhi Construction Development (as the owner), an indirect wholly-owned subsidiary of the Company and the project company for the development and operation of the Company's East China regional headquarters project.</p> <p>(2) Huaming Baoxin (as the contractor), and to the best knowledge, information and belief of the Directors having made all reasonable enquiries, Huaming Baoxin and its ultimate beneficial owners are third parties independent of the Company and its connected persons.</p>
Subject matter	<p>Huaming Baoxin will be responsible for the construction and engineering works for the construction of the Group's East China regional headquarters building in Wuxi Economic Development District, Jiangsu Province, the PRC with a total gross floor area of approximately 71,826.22 square meters in accordance with the technical specifications stipulated in the Construction Agreement.</p> <p>The scope of contracting includes general contracting works, integrated electrical and mechanical works, HVAC works, fire service works, decoration works and outdoor structural works, etc.</p>
Expected construction period	From 20 June 2023 to 15 July 2025
Total contract sum and payment terms	<p>The total contract sum under the Construction Agreement is RMB450,000,000.00 (which includes safety and civilized construction fees and provisional estimated price for professional works, etc.), which is subject to adjustment based on any proposed variation (if any) in the construction works.</p> <p>The total contract sum will be paid to Huaming Baoxin in the following manner:</p> <p>(i) prepayment of 10% of the cost of construction by the contractor in the total contract sum after signing the contract and provision of the required prepayment bond and performance bond by the contractor;</p> <p>(ii) monthly progress payment (including labour cost and construction cost) of 75% of the output done in each month, of which 10% of the current output shall be deducted from the prepayment of (i) above for each payment starting from the second installment of progress payment until such prepayment is fully deducted;</p>

- (iii) payment up to 85% (cumulative of (ii) above) of the total contract sum after the construction project is accepted as qualified;
- (iv) payment up to 97% (cumulative of (ii) and (iii) above) of the settlement sum (which will not exceed the total contract sum unless circumstances fall out of the agreed risk range) after the completion of settlement review of the construction project; and
- (v) interest-free payment of the remaining 2% of the aforesaid settlement sum in a lump sum upon expiry of two years of the warranty period, and interest-free payment of all remaining amount in a lump sum upon expiry of five years of the warranty period.

It is expected that the total contract sum will be paid out of the Group's own funds and project loans from banks.

Basis for Determining the Total Contract Sum

The total contract sum under the Construction Agreement was determined after arm's length negotiations through a tender process with comprehensive reference to the construction design drawings, cost lists and estimated construction costs.

INFORMATION ON THE GROUP AND HUAMING BAOXIN

The Group is a leading supply chain technology platform. The Group leverages its dual-engine of "Industrial Internet of Things" and "Digital Finance" to create a supply chain technology platform. The Group has served national strategic industries including infrastructure, medical and energy, and is actively expanding into other emerging strategic industries. The Group facilitates the digitalizing and upgrading of the industrial landscape through its technology solutions such as smart construction and hospital supply, processing and distribution ("SPD") services. The Group also leverages its big data analytics capabilities to overcome information barriers, linking asset owners and financial institutions across its platform to effectively address the supply chain financing demands of small, medium and micro enterprises ("SMEs").

Founded in 1999, with registered capital of RMB118.7 million and bank credit rating of AAA, Huaming Baoxin has various professional contracting qualifications, including Class I General Contracting of Building Construction, Class II General Contracting of Electrical and Mechanical Engineering, Class II Professional Contracting of Decoration Works, Class II Professional Contracting of Curtain Wall Works, Class III Professional Contracting of Steel Structure Works, and Class III Professional Contracting of Foundation Works issued by the Ministry of Housing and Urban-Rural Development of PRC. It has passed international standard system certifications including ISO9001, ISO14001 and ISO45001. Since its establishment, Huaming Baoxin has undertaken various national key projects in the fields of public construction, civil housing, electrical and mechanical installation, glass curtain wall and other engineering fields. The company has won many awards including Beijing Structural Great Wall Cup, AAA grade standardized site for safe and civilized construction and Honest Practice and demonstrative standardized site for safe and civilized construction at national, provincial and ministerial levels.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT

In September 2021, the Group established a strategic cooperation with the Economic Development District of Wuxi, which is known as the “Internet of Things Capital” in the PRC, to focus on the in-depth integration of digital finance and industrial Internet of Things development and jointly build a sustainable industrial ecosystem. In addition, leveraging on the Group’s strengths of talents and resources as well as Wuxi’s support in industrial technology radiation, the Group has formed a positive two-way interaction and business transformation with Wuxi in both industrial Internet of Things and inclusive digital financing sectors.

The Construction Agreement will be used for the construction of the Group’s East China regional headquarters building in Wuxi, which is planned to serve as the Company’s industrial technology research and development center, so as to build an industrial technology building in East China that embodies the core of scientific innovation, ecological empowerment, green concept and humanistic care, further strengthen the Group’s presence in the industrial Internet of Things sector and deepen the strategic cooperation between the Group and Wuxi. In view of the above, the Board considers that the terms of the Construction Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.04(9) of the Listing Rules) in relation to the transaction contemplated under the Construction Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Construction Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“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
“Construction Agreement”	the construction contract dated 20 June 2023 entered into between Shengzhi Construction Development and Huaming Baoxin
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaming Baoxin”	Beijing Huaming Baoxin Construction Development Co., Ltd.* 北京華銘保信建築工程發展有限公司, a company established in the PRC which is principally engaged in the business of general contracting for building construction works. As at the date of this announcement, to the best knowledge of the Directors, the actual controller of Huaming Baoxin is Liu Yifeng, who is a businessman
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) having a par value of HK\$0.01 each in the capital of the Company
“Shareholders”	the holders of Shares
“Shengzhi Construction Development”	Shengzhi Construction Development (Wuxi) Co., Ltd. * 盛智建設發展(無錫)有限公司, a company established in the PRC and a subsidiary of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 20 June 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.