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## **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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023**

#### **PERFORMANCE HIGHLIGHTS**

*For the six months ended 30 June 2023*

- In line with the Group's platform-based strategy, total cumulative platform users were 13,655 as of 30 June 2023, representing an increase of approximately 19.6% as compared to 11,413 as of 30 June 2022. Total funding partners increased by 34.1% from 91 as of 30 June 2022 to 122 as of 30 June 2023. SME loan customers accounted for more than 98% during the six months ended 30 June 2023.
- Total cumulative supply chain assets processed was approximately RMB177 billion as of 30 June 2023, representing an increase of approximately 21.2% as compared to approximately RMB146 billion as of 30 June 2022.
- The Group's total revenue and income from principal activities increased by 28.1% year-on-year to RMB494.8 million for the six months ended 30 June 2023, compared to RMB386.3 million for the six months ended 30 June 2022.
- Tech-related revenue generated from platform-based services and supply chain technology services for the six months ended 30 June 2023 was RMB84.1 million, representing an increase of approximately 183.9%, as compared to RMB29.6 million for the six months ended 30 June 2022. The proportion of tech-related revenue in Group's total revenue and income from principal activities is approximately 17.0%, representing a significant increase as compared to approximately 7.7% for the six months ended 30 June 2022.
- Income from digital financing solutions for the six months ended 30 June 2023 was RMB355.0 million representing an increase of approximately 17.4%, as compared to RMB302.3 million for the six months ended 30 June 2022.
- Profit after taxation for the six months ended 30 June 2023 was RMB187.0 million representing an increase of approximately 4.4%, as compared to the profit after tax of RMB179.1 million for the six months ended 30 June 2022.
- The Directors do not recommend the payment of a dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### 1. About SY Holdings Group Limited

SY Holdings Group Limited (the “**Group**”, “**Company**” or “**SY**”) is a leading supply chain technology platform providing data-driven, efficient, and inclusive industrial Internet-of-Things (“**IIoT**”) and digital financing solutions for companies across the Asia-Pacific region. As the digital economy becomes a new engine for China’s economic growth, the Group is strategically positioned as a supply chain technology platform, leveraging its technological capabilities to empower supply chains and to facilitate the digital upgrade of traditional industries. The Company is also committed to providing services which include one-stop supply chain technology services and digital financing solutions for enterprises and financial institutions, driving supply chain efficiency and making finance more inclusive.

The Group’s Dual-Engine, One-Platform strategy has laid a foundation for more efficient and sustainable growth in the future. Dual Engine refers to the two growth engines of IIoT and digital finance, which empower one another as they develop synergistically. One-Platform means that the Group fully leverages its technological advantages to build an open, inclusive, and complementary supply chain technology platform by linking core enterprises, funding partners, corporate partners and small and medium-sized enterprises (“**SMEs**”).

The Group’s business segments comprise (i) digital financing solutions, (ii) platform-based services, (iii) supply chain technology services and (iv) sales of supply chain assets<sup>1</sup>. Through building a comprehensive supply chain ecosystem, the Group will expand the scale of its IIoT business, leverage technology to empower its digital finance business and maximize its platform linkage capability to create a mutually beneficial ecosystem throughout the supply chain.

#### 2. First Half 2023 Highlights

##### ***Achieving Steady Growth Despite the Challenging Macro Environment and Contributing to the Recovery of the Real Economy***

- In the first half of 2023, despite the challenging global economic conditions and the fluctuations in the global capital market, China’s economy gradually rebounded and stabilized. Finding opportunities amid these challenges, SY focused on its principal activities in the digital finance business while further improving its technology strength and platform-based service capabilities. The Group achieved steady growth by contributing to the high-quality development of the real economy, which include ensuring the security and stability of the industrial and supply chain ecosystems in infrastructure, medicine, energy and other sectors, while providing SMEs with financial services to help them weather the difficulties. During the Period, the net profit of the Group reached approximately RMB187.0 million, an increase of approximately 4.4% year-on-year.

<sup>1</sup> Supply chain assets refer to assets including accounts receivables and accounts payables of core enterprises arising from transactions in the supply chain ecosystem

- Since the beginning of this year, China has rolled out a slew of policies to encourage the development of supply chain finance and support the real economy, particularly SMEs, to speed up the economic recovery. Leveraging its in-depth industry understanding and leading technology platform capabilities, SY continuously improved its coverage of SMEs customers in the supply chain ecosystem. By further optimizing and enhancing its data-driven business and risk control models, SY provided accurate, flexible, and convenient supply chain finance services for SMEs and core enterprises in the supply chain ecosystem. In the first half of 2023, the proportion of SME customers served by the Group reached 98%. During the Reporting Period, the cumulative amount of financing directly and indirectly provided by the Group to SMEs reached RMB12.88 billion, an increase of approximately 35.3% over the same period of last year.
- The Group maintained resilience and steady growth in its supply chain ecosystem. As of 30 June 2023, the cumulative supply chain assets processed by the Group was approximately RMB177.0 billion, representing growth of 11.1% as compared with 31 December 2022. The Group's total revenue and income from principal activities increased by 28.1% year-on-year to RMB494.8 million for the six months ended 30 June 2023, compared to RMB386.3 million for the six months ended 30 June 2022.

***Strengthening the Supply Chain Ecosystem to Promote Further Integration of Industry and Finance***

- With the mission of “driving supply chain efficiency and making finance more inclusive,” SY actively contributes to building the supply chain ecosystem. By providing digital finance and supply chain technology services to break down information silos, SY delivered efficient, inclusive, and sustainable services to all the participants within the supply chain ecosystem. Leveraging its extensive industrial experience and deep finance sector expertise, SY has continued to deepen its cooperation with a number of core enterprises in the supply chain ecosystem to further optimize their existing business process and product portfolios, providing customers with a better service experience.
- In the infrastructure segment, SY expanded its financing and technology collaboration with a certain member company of a core enterprise during the first half of 2023. In view of their successful track record, the two parties have increased the scale of their cooperation in the factoring business from RMB1 billion to RMB1.5 billion. On the other hand, by integrating their systems for factoring business, SY and its partner have leveraged their respective advantages in digital technology, platform-based services, and industry resources. SY has successfully developed customized features for its partner in the core modules of the financing business process, creating an efficient connection between the funding side and the asset side. Such partnership enables both parties to jointly provide more flexible and convenient inclusive financial services to internal units of the partners as well as to its upstream suppliers. In addition, SY has developed two customized supply chain inclusive financial products for another core enterprise, namely “Delivery Financing” and “Settlement Financing,” that have been officially launched on the core enterprise's cloud e-commerce platform. Targeting the winning suppliers of the core enterprise, these two products offer inclusive financial services featuring large financing amounts, low interest rates, and flexible repayment options. They effectively address the capital turnover problems faced by the suppliers after winning bids, as well as financing difficulties due to their small business scales and their inability to provide collateral.

- In the healthcare sector, in July 2023, SY entered into a strategic partnership with a large state-owned pharmaceutical distribution company, expanding collaboration in equity investment, digital financing, and upgrading the pharmaceutical supply chain. Specifically, SY will make equity investments in innovative medical services companies with a primary focus on the development of the pharmaceutical distribution industry, biopharmaceutical research and production, and digital upgrades of hospital SPD solutions. Building upon its deep experience in traditional supply chain financing, SY will leverage its digital capabilities for hospital SPD solutions to unlock the value of pharmaceutical industry data and develop innovative, inclusive supply chain financing services. Drawing on its extensive expertise in intelligent software and hardware development, SY will drive the digital transformation of pharmaceutical supply chains, including intelligent warehousing logistics, IoT hardware, and supply chain data applications, thus supporting the growth of enterprises in the healthcare supply chain industry.

### ***Continued Implementation of Platformisation Strategy Drives Business Expansion***

- To expand business and financing channels, the Group has implemented a platformisation strategy to transition towards an asset-light model. By leveraging advanced digital technology and efficient risk control systems, SY can deliver one-stop supply chain technology services and inclusive digital financial solutions to a broader range of partners. For the six months ended 30 June 2023, cooperation with external institutions accounted for approximately 39% of total loan facilitation, an increase of approximately 9 percentage points compared with the same period last year. This achievement demonstrates the Group's growing recognition among funding partners for its data-driven risk control capabilities and powerful customer acquisition abilities. It also signifies the growing market appreciation of the Group's platformisation model.
- Based on an advanced and innovative business model with a sound compliance framework, SY has successfully exported customized technology systems and platform-based services to local factoring companies with state-owned enterprise "SOE" backgrounds in Wuxi, Ningbo, Xiamen, Qingdao, and other regions, enabling the Group to expand its footprint to their supply chain ecosystems in various places. These initiatives have enabled the Group to break down market and information silos across geographies and empowered the Group with more efficient, accurate, and cost-effective access to business opportunities in the mid- and long-term. The enhanced credit gained from its association with outstanding local SOEs also enables the Group to optimize its financing structure, thereby reducing capital costs and increasing leverage.

### ***Strengthening Research and Development (“R&D”) Capabilities to Unlock Value Transformation Channels***

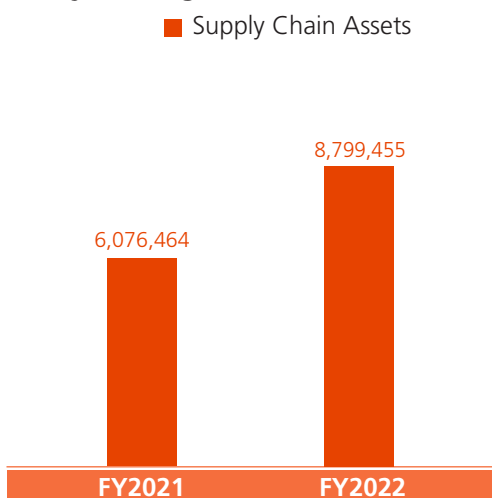
- As a national high-tech enterprise, Sheng Ye Information Technology Service (Shenzhen) Co., Ltd. (“**SYIT**”) specializes in research in and application of IIoT and digital finance technologies. With an in-depth knowledge of national strategic industries such as infrastructure, pharmaceuticals and energy, SYIT has established strategic partnerships with a number of large core enterprises. SYIT enables these core enterprises to enhance their digital management efficiency by providing them with advanced digital technology, efficient intelligent risk control methods, and the improved ability to match premium assets with inclusive finance. SYIT provides customized supply chain platforms and big data analysis services to complement its offerings. In addition, SY, with its strong technological strength and outstanding contributions in providing precise services to SMEs, has been successfully selected on CNBC’s “2023 Top 200 Global Financial Technology Companies” list.
- Since its inception, SY has attached great importance to technological innovation and building an intellectual property system to protect and leverage its independent intellectual property rights (IPR) and continuously enhance its core competitiveness. SY has obtained a number of national invention patent certificates in the fields of data processing technology and data security technology. Going forward, SY will continue to improve its IPR protection system to drive its technological innovation efforts, promoting technological progress in the industry and high-quality development of the Company.
- Based on its strategy of tightly integrating technological innovation with business development, SY has developed and launched functional modules such as smart duplicate checking for registrations at Zhongdengwang.org.cn (the Unified Registration and Publicity System for Movable Property Financing), fast invoice verification, credit report analysis, and smart approval for contracts by leveraging its technological innovations protected by granted patents. Through the application of optical character recognition (“**OCR**”), natural language processing (“**NLP**”), artificial intelligence (“**AI**”) and other technologies, SY’s solutions achieved high-efficiency, multi-dimensional automated analysis of customer and transaction profiles. In addition to providing solutions to factoring and financial industry customers to significantly improve the efficiency of their business processes, SY also provided SMEs with financing support as an alternative to traditional financing options, breaking down information silos and building a bridge to financial markets for a broader range of participants in the real economy. Meanwhile, based on massive data accumulation and training, SY has internally launched a large language model digital financial solution, which applied to scenarios such as pre-loan customer evaluations, loan asset reviews, post-loan operation monitoring. This solution helps to improve risk control capabilities and business efficiency through its powerful information processing capabilities while further enhancing SY’s ability to understand SMEs and provide them with technological support.

- SY has taken notice of the digital RMB’s advantages in terms of instant settlement, anonymity, traceability and strong credit, etc. Compared with existing forms of supply chain finance payment, digital RMB can link the upstream and downstream supply chain payment processes, not only realising real-time fast fund arrival and improving SMEs’ capital turnover rate, but also effectively reducing default risk for financial institutions by virtue of its traceability. In June 2023, SY’s subsidiary Wuxi Guojin Factoring Limited (“WXGJ”) cooperated with a local bank to successfully launch the largest single Digital RMB factoring transaction, totaling RMB100 million, in the factoring industry in the Jiangsu Province, representing a significant innovation in the inclusive financing business.

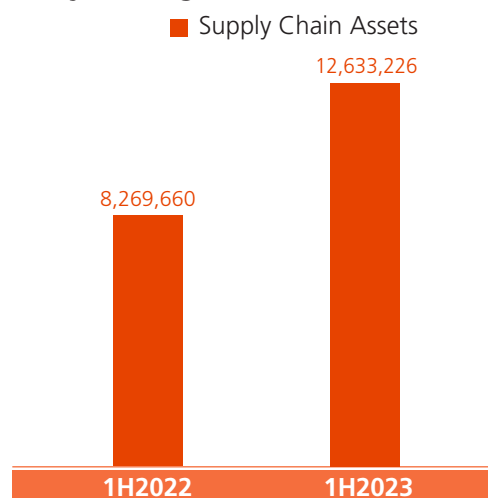
***Dual-engine Cross-empowerment Drives Solid Development of Digital Finance***

- The supply chain technology segment not only delivered strong business growth but also strengthened the digital finance segment technologically by facilitating precise customer acquisition and increased risk management efficiency. The digital finance business achieved stable growth by tightly integrating digital technology and industrial knowledge. In the six months ended 30 June 2023, revenue from digital financing solutions increased by 17.4% year-on-year to RMB355.0 million. The supply chain assets balance, including both self-funded and loan facilitation supply chain assets, increased by 62.2% year-on-year to approximately RMB14.05 billion as of 30 June 2023. The daily average supply chain assets balance increased by 52.8% year-on-year to approximately RMB12.63 billion. The cumulative supply chain assets processed by the Group was approximately RMB177.0billion, and the cumulative number of customers was 13,655 representing growth of 21.2% and 19.6% respectively, as compared with 30 June 2022. Asset quality has remained healthy, with the non-performing ratio maintained at 0%.

**Daily Average Balance (RMB'000)**



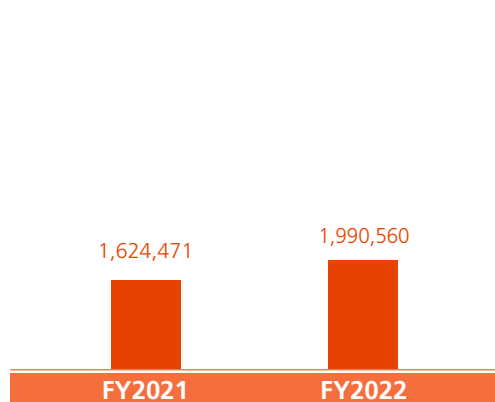
**Daily Average Balance (RMB'000)**



- Benefiting from expanded scale of funding and improved asset quality, the Group’s daily average loan facilitation balance<sup>2</sup> was RMB4.70 billion as of 30 June 2023, an increase of approximately 186.1% year-on-year. During the period, revenue from platform-based services reached approximately RMB67.4 million, of which revenue from referral service and technology service for loan facilitation reached RMB67.2 million, an increase of 142.7% year-on-year. The Group remains confident that growth in its overall platform-based services will remain resilient, underpinned by robust SME financing demand coupled with favourable government policies, particularly those geared towards supporting the development and growth of the SME segment in China.

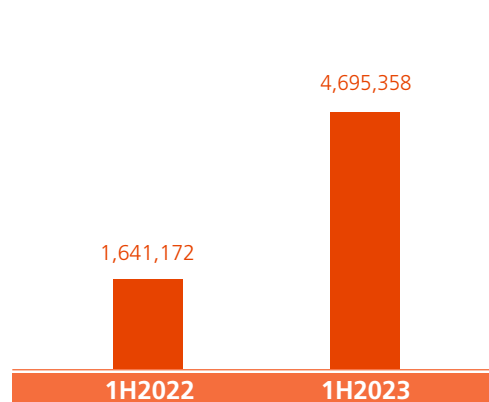
### Daily Average Balance (RMB'000)

■ Loan Facilitation Balance



### Daily Average Balance (RMB'000)

■ Loan Facilitation Balance



### *Embracing ESG and Sustainable Development*

- SY actively fulfills its corporate social responsibilities and considers environmental, social and governance (“ESG”) factors as a core component of its business decisions. ESG has always been a core part of the Group’s DNA through its mission of “driving supply chain efficiency and making finance more inclusive”. In 2023, SY received another “A” rating from MSCI ESG Research after receiving its first “A” rating in 2021, outperforming its peers in corporate governance and environmental management.
- SY continues to promote sustainable development in its daily operations. SY has further promoted online and paperless business practices among partners through its platformisation business development models and customized platform-based services provided for local factoring companies with SOE backgrounds. SY has also provided more efficient, reliable and low-carbon supply chain financing services to SMEs through its technology capabilities in SY Cloud Platform and Digital RMB, and also helps core enterprises build their own sustainable supply chains.

<sup>2</sup> The daily average loan facilitation balance has been adjusted to be in line with the Group’s reclassification of its business segments in 2022

- SY is also committed to social responsibility. On 12 May 2022, SY launched the SY Public Welfare Foundation (“**Foundation**”) in Tianjin PRC. The Foundation has carried out public welfare activities in three major areas: caring for children in need, supporting industry development and youth inspirational programs, contributing to the development of a harmonious society. In addition, SY has made many donations to rural poverty alleviation efforts and medical charities, provided publicity for public welfare causes, and hosted a “Little Migratory Birds at Construction Sites Summer Camp” for children of migrant workers in the infrastructure industry. Since 2014, the total amount of public welfare expenditure of SY is approximately RMB10.9 million, benefitting over 4,400 people.

## **FINANCIAL REVIEW**

### **Revenue and income from principal activities**

The principal activities of the Group include the provision of platform-based services, supply chain technology services, digital financing solutions and sales of supply chain assets.

The Group’s total revenue and income from principal activities increased by 28.1% year-on-year to RMB494.8 million for the six months ended 30 June 2023, compared to RMB386.3 million for the corresponding period in last year, mainly due to (i) the expansion of the loan facilitation business in the SME segment; (ii) the rapid growth in the supply chain technology business; and (iii) the expansion of the digital financing solutions which is supported by banks and other borrowings.



The following table sets forth the comparative figures and as a percentage of total revenue and income from principal activities for the six months ended 30 June 2023 and 2022.

	Six months ended 30 June				
	2023	Year-		2022	% of total
	RMB'000	% of total	on-year	RMB'000	revenue
		revenue			revenue
<b>Revenue from contracts with customers</b>					
<b>– Platform-based services</b>					
– Technology service for loan facilitation	29,501	6.0%	6.6%	27,684	7.2%
– Referral service fees	37,687	7.6%	N/A	–	–
– Technology service for asset-backed securitisation products	–	–	-100.0%	1,199	0.3%
– Other services	225	0.0%	-49.0%	441	0.1%
<b>Subtotal</b>	<b>67,413</b>	<b>13.6%</b>	<b>129.9%</b>	<b>29,324</b>	<b>7.6%</b>
<b>– Supply chain technology services</b>					
	16,651	3.4%	5,763.0%	284	0.1%
<b>Income from digital financing solutions</b>					
– Interest income from supply chain assets	344,407	69.6%	17.6%	292,987	75.9%
– Guarantee income	9,570	1.9%	2.4%	9,349	2.4%
– Interest income from contracts that contain significant financing components	977	0.2%	N/A	–	–
<b>Subtotal</b>	<b>354,954</b>	<b>71.7%</b>	<b>17.4%</b>	<b>302,336</b>	<b>78.3%</b>
<b>Gain on sales of supply chain assets</b>					
	55,818	11.3%	2.8%	54,312	14.0%
<b>Revenue and income from principal activities</b>	<b>494,836</b>	<b>100.0%</b>	<b>28.1%</b>	<b>386,256</b>	<b>100.0%</b>

### ***Platform-based services***

Revenue from the platform-based services comprises (i) services fees received from customers by providing technology service for loan facilitation through the SY Cloud platform (a data-driven supply chain technology platform empowered by the Group) during the loan period of the customers; (ii) services fees received from customers by referring the customers to the funding partners; (iii) technology service fees that the Group charged for facilitating the issuance of ABS/ABN by large core enterprises; and (iv) services fees received from customers by providing AR management services. Revenue from platform-based services significantly increased by 129.9% year-on-year to approximately RMB67.4 million for the six months ended 30 June 2023, compared to approximately RMB29.3 million for the corresponding period of last year, mainly driven by the expansion of its loan facilitation business, due to the Group's push towards a platform-based transformation, providing SMEs, core enterprises and funding partners with convenient one-stop supply chain financing services.

### ***Supply chain technology services***

Revenue from the supply chain technology services comprises technology services fees received from customers by providing supply chain technology solutions such as smart enterprise solutions and supply chain procurement systems. Revenue from the supply chain technology services significantly increased by 5,763.0% year-on-year to RMB16.7 million for the six months ended 30 June 2023, compared to RMB0.3 million for the corresponding period of last year, mainly due to the project completion in smart construction solutions and hospital SPD solutions during the reporting period.

### ***Digital financing solutions***

Income from the digital financing solutions comprises (i) interest income received from providing flexible supply chain financing solutions; (ii) guarantee services fees arising mainly from the Group's loan facilitation business; and (iii) interest income from supply chain technology services contracts which contain significant financing components. Income from the digital financing solutions increased by 17.4% year-on-year to RMB355.0 million for the six months ended 30 June 2023, compared to RMB302.3 million for the corresponding period of last year, mainly due to the increase in the daily average balance of supply chain assets which is supported by the increase in daily average balance of borrowings during the reporting period.

### ***Gain on sales of supply chain assets***

The Group may sell rights of supply chain assets as a way to improve cash flow and manage its supply chain assets portfolio. Gain from this business segment is equal to the excess of the consideration received and receivable over the carrying amount of the supply chain assets. The gain on sales of supply chain assets increased by 2.8% year-on-year to RMB55.8 million for the six months ended 30 June 2023, compared to RMB54.3 million for the corresponding period of last year.

## Other gains and losses

The Group booked other gains of RMB6.3 million in the first half of 2023, an increase of 369.8% year-on-year, compared to RMB1.4 million for the corresponding period of last year. The increase was mainly due to (i) the net effect of exchange loss as a result of the depreciation of RMB against HK\$ and US\$ and net gain arising from changes in fair value of derivative financial instruments in relation to foreign currency; and offset by (ii) the decrease in net gain arising from changes in fair value of other financial assets at fair value through profit or loss.

## Expenses

The following table sets forth the comparative figures of the principal components of the operational expenses for the six months ended 30 June 2023 and 2022.

	six months ended 30 June		Year-on-year
	2023	2022	
	RMB'000	RMB'000	
Staff Costs	60,457	60,133	0.5%
Depreciation and amortisation	15,678	14,091	11.3%
Other operating expenses	26,432	27,245	-3.0%
<b>Total</b>	<b>102,567</b>	<b>101,469</b>	<b>1.1%</b>

During the reporting period, for the purpose of better assessment of the operational expenses, the materials cost previously included in the operational expenses is now removed. Therefore, certain prior period information had been re-presented to conform with current period presentation.

The Group's total operational expenses increased by 1.1% year-on-year to RMB102.6 million for the six months ended 30 June 2023, compared to RMB101.5 million for the corresponding period of last year, mainly due to the net effect of (i) the increase in depreciation of property, equipment, right-of-use assets and investment property and amortisation of intangible assets of RMB1.6 million and staff costs of RMB0.3 million as a result of business expansion; and (ii) the decrease in other operating expenses of RMB0.8 million as a result of the improved cost management during the reporting period.

The operational cost-to-income ratio for the first half of 2023 was 20.7% as compared with 26.3% for the corresponding period in 2022, excluding one-time expenses. The decrease in cost-to-income ratio demonstrated the improvement in operating efficiency and the synergies brought about by the implementation of the platformisation strategy.

## Net profit

Net profit in the first half of 2023 was RMB187.0 million, an increase of RMB7.9 million or 4.4% year-on-year.

## Adjusted net profit

Adjusted net profit increased by 4.5% year-on-year to RMB188.3 million for the six months ended 30 June 2023, compared to RMB180.2 million for the six months ended 30 June 2022.

## 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 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 2023 and 2022, respectively, to the nearest measures prepared in accordance with HKFRSs.

	<b>2023</b>	2022
	<b>RMB’000</b>	RMB’000
<b>Profit for the six months ended 30 June</b>	<b>187,006</b>	179,083
<b>Add:</b>		
Equity-settled share-based payments based on our share incentive plan ( <i>note</i> )	<b>1,303</b>	1,146
Adjusted net profit for the period (non-HKFRSs)	<b>188,309</b>	180,229

*Note:* It represents the share options/restricted share unit (“RSU”) that we granted under our share incentive plan, which is a non-cash expense.

### **Supply chain assets at fair value through other comprehensive income (“FVTOCI”)**

Supply chain assets at FVTOCI as of 30 June 2023 were RMB8,043.7 million, a 20.5% increase year-on-year. Daily average balance of self-funded supply chain assets over the first half of 2023 were RMB7,937.9 million, a 19.8% increase over the corresponding period of last year. Based on the daily average balance of self-funded supply chain assets, interest yield on supply chain assets in the first half of 2023 was 8.7%, which was 0.1 percentage points lower year-on-year.

The details of major terms of supply chain assets, including collateral types, maturity profile, and the size and diversity of clients are set out below.

As at 30 June 2023, all of the total supply chain assets were secured by charge over trade receivable, in respect of which the legal title and legal right to receivable cash flows were also transferred to the Group. Furthermore, the supply chain assets of RMB278.1 million (31 December 2022: RMB373.8 million) were secured by certain commercial acceptance bills received from customers and the supply chain assets of RMB283.1 million (31 December 2022: RMB804.1 million) were secured by deposit from customers. The bills and deposits can be applied and used to settle any outstanding receivables of supply chain assets for the corresponding contract if default occurs.

As at 30 June 2023, there were a total of 3,385 (31 December 2022: 4,782) outstanding supply chain assets obtained by the Group, out of which 140 (31 December 2022: 157) supply chain assets are referred to as sizeable loans with principal amount which exceeds RMB10,000,000, 873 (31 December 2022: 1,011) supply chain assets with principal amount between RMB1,000,000 and RMB10,000,000, 2,372 (31 December 2022: 3,614) supply chain assets with principal amount less than RMB1,000,000.

As at 30 June 2023, the outstanding supply chain assets of RMB750.2 million (31 December 2022: RMB1,065.9 million) were obtained from the related parties (which are associates of the Group under the Listing Rules and the non-controlling shareholder of a material subsidiary) of the Group. The remaining balance of the outstanding supply chain assets were obtained from the independent third parties of the Group. The supply chain assets normally have a term of 1 to 24 months (31 December 2022: 1 to 24 months) and the effective interest rates ranging mainly from 5.50% to 13.00% (31 December 2022: 4.00% to 15.00%) per annum.

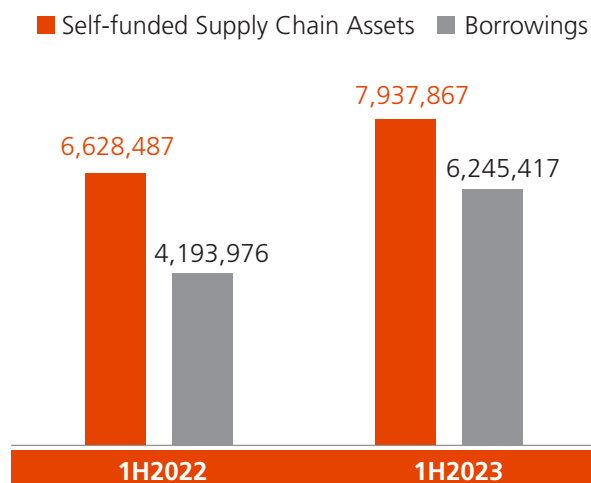
### **Movements in impairment loss allowance on supply chain assets**

The Group’s impairment loss allowance on supply chain assets increased by 12.6% year-on-year to RMB87.8 million as at 30 June 2023, compared to RMB78.0 million as at 30 June 2022, mainly due to the increase in gross carrying amount of supply chain assets. No impairment loss allowance were written off for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB15.9 million).

## Borrowings and finance costs

Borrowings, including loans from related parties, as of 30 June 2023 was RMB6,570.0 million, a 36.3% increase year-on-year. Daily average borrowings over the first half of 2023 was RMB6,245.4 million, a 48.9% increase year-on-year. The increase in finance costs of RMB81.4 million year-on-year was mainly due to the increase in the daily average balance of borrowings and the increase in average borrowings interest rate from 5.6% for the six months ended 30 June 2022 to 6.4% for the six months ended 30 June 2023.

### Daily Average Balance (RMB'000)



## Taxation

Income tax expenses represent the tax expense arising from the assessable profit generated by the Group in the PRC, withholding tax levied on interest income of Hong Kong subsidiaries, withholding tax levied on dividend declared by a PRC subsidiary and deferred tax. Except for certain PRC subsidiaries that enjoy preferential tax rates, PRC enterprise income tax is calculated at 25% of the estimated assessable profits for six months ended 30 June 2023 and 2022. The increase in the effective tax rate from 4.7% for the six months ended 30 June 2022 to 18.3% for six months ended 30 June 2023 was mainly attributable to the increase in profit before taxation in subsidiaries with applicable tax rate of 25% and the expiry of exemption of income tax policy enjoyed by the subsidiary.

For the six months ended 30 June 2023, income tax expenses amounted to approximately RMB42.0 million (for the six months ended 30 June 2022: RMB8.8 million).

## 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 of business operation and stability of cooperation with core enterprises, thereby further strengthening the risk control and realizing closed-loop cash flow management.

### **Loan collection**

Where irregularity is noted by the Risk Management Department, a working group comprised of multi-functional team members will plan and take remedial actions, which normally include extending repayment terms or negotiating settlement proposals with the customer. If these remedial actions prove unsuccessful, the Group will take legal action against the customer and take control of the collateral assets.

## **BUSINESS OUTLOOK AND PROSPECTS**

During the Period, the Group achieved significant growth in its supply chain technology services, while also maintaining steady growth in its digital financing business amid the huge challenges from the external environment.

SY's Dual-Engine, One-Platform growth strategy will continue to drive the Company's development. Through strategic cooperation with core enterprises, the Group will continue to leverage its technology to embed itself into the supply chain ecosystem, build a supply chain technology platform, and provide one-stop services to core state-owned enterprises, SMEs, and funding partners. SY will also take a prudent, active, and open-minded approach to identify opportunities in national strategic and emerging industries such as new energy and new infrastructure, and conduct in-depth cooperation discussions with core enterprises within these industries to actively expand its development opportunities.



Technological capability will continue to be a core component of SY's DNA. Under the Dual-Engine, One-Platform strategy, SY will continue to invest in R&D and innovation to lay a solid foundation for its leading technological position in the supply chain ecosystem. For the supply chain technology business segment, SY has formed ecosystem alliances with leading enterprises in various sub-sectors, enabling the Group to integrate their leading products on SY's platforms to generate one-stop customized solutions which can in turn accelerate the Group's platformisation. Meanwhile, SY will also deepen ties with ecosystem partners through strategic investments including equity and debt commitments. Leveraging complementary strengths and resource advantages, the Group will rapidly increase its market share. The Group's supply chain technology segment will continue to empower the digital finance segment, which capitalizes on its platform linkage capabilities to provide differentiated services to the supply chain, thereby maintaining its industry-leading position and rapid growth. SY will adhere to its long-term outlook, invest further in R&D and improve risk management through digital technologies to drive high-quality and steady growth and achieve long-term sustainable development.

Going forward, SY will further strengthen collaboration with outstanding regional SOEs and embed itself into their supply chain ecosystems to efficiently reach more local customers and contribute to the development of the real economy. Leading regional SOEs are often well-positioned within the industrial landscape and have access to extensive resources. At the same time, the Group's innovative technology can help revitalize the value of state-owned assets by efficiently connecting industrial supply chains with resources through its precise customer acquisition and big data analytics capabilities. Looking ahead, the Group will continue to strengthen its partnerships with high-quality SOEs and replicate its successful experience in more regions and cities. By further leveraging its platform capability to build a digital ecosystem, the Group will solve SMEs' supply chain financing pain points and contribute to the development of the real economy.

## **CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING**

During the six months ended 30 June 2023, the Group's main sources of funds were the cash generated from its daily operation, and proceeds from new borrowings. As at 30 June 2023, the Group had cash and cash equivalents of RMB615.5 million (31 December 2022: RMB577.0 million), of which 95.99% and 3.35% were denominated in RMB and HK\$ respectively. Net cash from operating activities was RMB633.9 million in the first half of 2023 (for the six months ended 30 June 2022: RMB460.2 million), an increase of RMB173.7 million year-on-year mainly due to the increase in net cash from supply chain assets at FVTOCI of RMB162.2 million for the six months ended 30 June 2022 to RMB405.9 million for the six months ended 30 June 2023.

As at 30 June 2023, the Group had interest-bearing borrowings and loans from related parties which amounted to RMB6,570.0 million (31 December 2022: RMB6,610.4 million). Its gearing ratio, expressed as total liabilities over total equity was 1.77 as at 30 June 2023 (31 December 2022: 1.76).

## **INTERIM DIVIDEND**

The Board does not recommend payment of any interim dividend for the period ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

## **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 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 and six months ended 30 June 2023, details of the use of proceeds of the Placement were as follows:

Use of proceeds	Net proceeds raised (Approximately <i>HK\$ million</i> )	Actual use of net proceeds during the year ended 31 December 2021 (Approximately <i>HK\$ million</i> )	Actual use of net proceeds during the year ended 31 December 2022 (Approximately <i>HK\$ million</i> )	Actual use of net proceeds during the six months ended 30 June 2023 (Approximately <i>HK\$ million</i> )	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	15.4	The remaining unutilised amount of approximately HK\$114.3 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.

## **CAPITAL COMMITMENTS**

As at 30 June 2023, the capital commitments of the Group comprised of purchase of property and equipment of approximately RMB351.3 million and investment in an associate of approximately RMB0.2 million (31 December 2022: purchase of property and equipment of approximately RMB20.5 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 2023.

## **PLEDGE OF ASSETS**

As at 30 June 2023, the Group had pledged bank deposits of RMB507.1 million, structured deposits of RMB128.8 million, security deposits of RMB1.8 million, investment property with carrying amount of RMB31.5 million, and certain supply chain assets with an aggregate carrying amount of RMB3,458.7 million to banks, third parties and an associate for facilities, loan facilitation platform in partnership with banks and derivative financial instruments (31 December 2022: pledged bank deposits of RMB472.8 million, structured deposits of RMB164.6 million, security deposits of RMB8.4 million, investment property with carrying amount of RMB31.9 million, and certain supply chain assets with an aggregate carrying amount of RMB3,452.1 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**

In February 2023, the Qingdao SY Sunful Supply Chain Management Limited (“**Qingdao Sunful**”), a wholly owned subsidiary of the Company, acquired 40% equity interest in Qingdao Ocean Holdings Factoring Limited (“**Ocean Holdings Factoring**”) from Qingdao Ocean Holdings Investment Holdings Limited (“**Ocean Holdings Investment**”), an independent third party of the Group. Subsequent to the acquisition, Ocean Holdings Factoring became an associate of the Company with Ocean Holdings Investment and Qingdao Sunful holding 60% and 40% of its shares respectively.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

As at 30 June 2023, the Group did not make any significant investments.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group aims to become the most reliable supply chain technology platform in Asia under the “Dual-Engine, One-Platform” strategy announced in January 2021. To achieve this goal, the Group will continue to explore initiatives to acquire technological capabilities, more comprehensive data insights and open new markets to capitalize on the burgeoning demand for supply chain financial services. Meanwhile, the Group will continue its investment in the key strategic areas, which include supply chain technology and digital finance, and further strengthen the Group’s platform-based technology services and market position within the supply chain ecosystem.

## **FOREIGN EXCHANGE RISKS**

The Group's exposure to foreign currency risk relates primarily to cash and cash equivalents, pledged bank deposits, other receivables, equity instruments at FVTOCI, other financial assets at FVTPL, other financial liabilities at FVTPL, trade and other payables, borrowings and lease liabilities that are denominated in HK\$, US\$ and S\$. The Group has entered into foreign currency exchange swap contracts, cross currency swap contracts and foreign currency forward contracts during the period to manage its foreign currency risk exposures arising from certain variable-rate bank borrowings denominated in HK\$ and US\$. The management manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2023, the Group had a total of 386 staff (As at 31 December 2022: 377 staff). Total staff costs (including Directors' emoluments) were approximately RMB71.8 million (including share option benefits RMB0.6 million and RSU benefits RMB0.7 million) for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB69.5 million (including share option benefits RMB1.0 million and RSU benefits RMB0.1 million)). Remuneration is determined by reference to market conditions and the performance, qualifications and experience of individual employee. In light of the Group's continuous strive to maintain its market position, recruitment and retention of talent is of paramount importance to the future development of the Group. Therefore, the Group is committed to continuously enhancing and optimizing its remuneration and benefits policies to remain competitive. A comprehensive incentive plan has been adopted to reward existing and retain new senior management members and employees. Year-end bonuses are based on individual performance and are paid to employees as recognition of and reward for their contributions. Other benefits include contributions to the statutory mandatory provident fund scheme and social insurance together with housing provident funds for the employees in the PRC (including Mainland China and Hong Kong SAR) and Singapore, respectively.

The Group operates a share option scheme for the purpose of providing incentives and rewards to eligible directors, employees and contractors of the Group, who contribute to the success of the Group's operations.

In addition, the Group introduces a restricted share unit scheme to give incentives and retain the eligible grantees by recognizing their contributions, and to attract suitable personnel for further development of the Group.

Employees in Mainland China are covered by the mandatory social security schemes operated by the PRC Government. The Group is required by the PRC laws to contribute a certain percentage of payroll cost to the retirement benefits scheme to fund the benefits.

In Hong Kong SAR of China, the Group participates in a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) established under the Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees’ relevant monthly income subject to a cap, which is currently set at HK\$1,500.

In Singapore, the Group participates in a defined contribution scheme which is administered by the Central Provident Fund (“**CPF**”) Board in Singapore. Under the CPF, the employer and the employees are each required to make contributions to the fund at the applicable rates of the eligible employees’ salaries.

## **RECENT DEVELOPMENT OF REGULATORY FRAMEWORK**

On 18 May 2023, the National Administration of Financial Regulation (“**NAFR**”) was officially unveiled to replace the former China Banking and Insurance Regulatory Commission for overseeing the financial services industry other than securities. The NAFR will comprehensively implement the three key tasks of serving the real economy, containing financial risks and deepening the financial reform. To this end, it will bring all financial activities under regulations according to law, strive to eliminate regulatory gaps and blind spots, and vigorously enhance the coordination between the central and the local regulatory authorities.

On 19 May 2023, the People’s Bank of China (“**PBOC**”) published the China Financial Stability Report (2022). According to the PBOC, due to weak technology strengths and the lack of consumption scenarios, small and medium-sized banks have inadequate customer acquisition ability for their online self-operated business, and typically partner with Fintech platforms in expanding online operations. For the next step, the PBOC indicated its plan to further optimize the cooperation model between small and medium-sized banks and technology companies and clarify the boundaries for their rights and responsibilities. Furthermore, it will implement pervasive regulation over Fintech innovations, and introduce regulatory policies on Fintech companies to reinforce the risk firewall for financial and technology players.

On 13 June 2023, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Finance and the PBOC jointly issued the Notice of the National Development and Reform Commission and Other Authorities on the Key Task of Cost Reduction in 2023 (the “**Notice**”). The Notice calls for improving the national integrated network of financing credit service platforms, expanding the sharing coverage of credit information of SMEs, continuously optimizing the functions of accounts receivable financing service platforms, continuing the cost reduction, incentive and compensation policies for financing guarantee in favor of SMEs, increasing the financing volume and coverage for SMEs, and reducing the cost of financing guarantee. The Notice also calls for lowering the bar and improving the technical standards and data protocol for electronic transactions throughout the bidding process, promoting cross-region compatibility and recognition of CA digital certificates, and continuously increasing the breadth and depth of electronic transactions throughout the bidding process. In addition, the Notice also calls for stepping up the efforts in cleaning up outstanding accounts receivable of SMEs, deepening the implementation of the Rules on Ensuring Payments to Small and Medium-sized Enterprises, and improving the long-term mechanism for preventing and solving outstanding accounts receivable of SMEs.

The Directors have confirmed that the Group will be able to comply with the above relevant laws and policies, and the relevant policies are conducive to the development of the Group's business. The Group has been successfully included into the regulatory white lists of local regulatory authorities. Guided and supported by the PBOC Credit Information Center and the Tianjin Branch of PBOC, the Group became the first factoring company in Tianjin that has completed the switching to the second-generation credit information submission system of the PBOC. The Group has established long-term cooperative relationships with core enterprises in many industries, providing data-driven supply chain financing services for core enterprises and SMEs in the supply chain ecosystem. The abovementioned favorable policies are conducive to further expansion and enhancement of the Group's existing business. In addition, the Group has established an Information Management Committee which is responsible for the strategic formulation and construction planning of the Group's information technology, information security and data management in accordance with the overall strategy. The Group has long been committed to building a data management system that is in line with its strategic development, protects the interests of users and meets regulatory requirements, so as to ensure sustainable development of the platform-based strategy. The Group has obtained a number of internationally recognized certifications in information security management, demonstrating its efforts and capabilities in complying with national data protection frameworks.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 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 2023, 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 (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were 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 they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to provisions set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), to be notified to the Company and the Stock Exchange, were as follows:

#### Interest in the Company

Name of Director	Capacity/nature of interest	Number and class of securities interested	Percentage of shareholding
Mr. Tung Chi Fung ( <i>Note 1</i> )	Beneficiary of a trust and settlor of a discretionary trust	559,581,960 (L) ( <i>Note 2</i> )	56.45%
Mr. Chen Jen-Tse	Beneficial owner	581,000 (L) ( <i>Note 2</i> )	0.06%
	Share option	2,700,000 ( <i>Note 3</i> )	0.27%
Mr. Lo Wai Hung	Beneficial owner	360,000 (L) ( <i>Note 2</i> )	0.04%
	Share option	500,000 ( <i>Note 3</i> )	0.05%
Mr. Loo Yau Soon	Share option	500,000 ( <i>Note 3</i> )	0.05%
Mr. Fong Heng Boo	Share option	300,000 ( <i>Note 3</i> )	0.03%

#### Notes:

1. Wisdom Cosmos Limited (“**Wisdom Cosmos**”), a company incorporated in the British Virgin Islands (“**BVI**”), is the beneficial owner of 559,581,960 shares of the Company, representing approximately 56.45% shareholding interests in the Company. The entire issued share capital of Wisdom Cosmos is owned by Eander Limited (“**Eander**”), a company incorporated in the BVI, which is in turn wholly owned by TMF (Cayman) Ltd (“**TMF Trust**”), trustee of the Pak Jeff Trust (“**PJ Trust**”), an irrevocable reserved power trust established by Mr. Tung. Mr. Tung and his family members are the beneficiaries of the PJ Trust. Under the SFO, Mr. Tung, TMF Trust and Eander are deemed to be interested in all the shares of the Company registered in the name of Wisdom Cosmos.
2. The letter “L” denotes long position of the shares of the Company.
3. This refers to the number of underlying Shares covered by its share option scheme.



Save as disclosed herein, as at 30 June 2023, 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 10 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 2023, 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:

<b>Name</b>	<b>Capacity/nature of interest</b>	<b>Number and class of securities interested</b> <i>(Note 1)</i>	<b>Percentage of shareholding</b>
TMF Trust <i>(Note 2)</i>	Trustee	559,581,960 (L)	56.45%
Eander <i>(Note 2)</i>	Interest in a controlled corporation	559,581,960 (L)	56.45%
Wisdom Cosmos <i>(Note 2)</i>	Beneficial owner	559,581,960 (L)	56.45%
Wuxi Communications Industry Group Co., Ltd (“WXCIG”) <i>(Note 3)</i>	Interest in a controlled corporation	61,363,500 (L)	6.19%
Xitong International Holdings (HK) Limited (“Xitong”) <i>(Note 3)</i>	Beneficial owner	61,363,500 (L)	6.19%

*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 559,581,960 shares of the Company, representing approximately 56.45% 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 beneficiaries of the PJ Trust. Under the SFO, Mr. Tung, TMF Trust and Eander are deemed to be interested in all the shares of the Company registered in the name of Wisdom Cosmos.
3. Xitong, a company incorporated in Hong Kong, is the beneficial owner of 61,363,500 shares of the Company, representing approximately 6.19% shareholding interests in the Company. The entire issued share capital of Xitong is owned by WXCIG, a company incorporated in the PRC, which is in turn wholly owned by State-owned Assets Supervision and Administration Commission of Wuxi Municipal People’s Government. Under the SFO, WXCIG and Xitong are deemed to be interested in all the shares of the Company registered in the name of Xitong.

Save as disclosed above, as at 30 June 2023, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position in the shares or underlying shares of the Company 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 the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

#### **SHARE OPTION SCHEME**

During the six months ended 30 June 2023, (i) 21,240,000 granted options were outstanding under the share option scheme; (ii) no granted options were exercised; (iii) 1,100,000 granted options were lapsed; and (iv) no granted options were cancelled.

Pursuant to Rule 17.07(1)(c) of the Listing Rules, the closing prices of the Shares immediately before 11 September 2017, 14 November 2018, 15 July 2020 and 10 June 2022, being the dates on which the Options were granted, were HK\$4.14, HK\$6.50, HK\$6.60 and HK\$6.32 respectively.

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of share options available for grant under the Share Option Scheme as at 1 January 2023 and 30 June 2023 were 40,997,500 and 42,097,500, respectively.

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of Shares of the Company available for issue under the Share Option Scheme is 63,337,500 Shares, representing approximately 6.40% of the 989,750,000 ordinary Shares of the Company in issue as at 30 August 2023, being the date of this announcement.

Pursuant to Rule 17.09(9) of the Listing Rules, as at 30 June 2023, the remaining life of the Share Option Scheme is about 3 years and 10 months old.

#### **RESTRICTED SHARE UNIT (“RSU”) SCHEME**

During the six months ended 30 June 2023, (i) no RSUs were granted; (ii) 1,160,000 granted RSUs were outstanding under the RSU scheme; (iii) no granted RSUs were vested; (iv) 140,000 granted RSUs were lapsed; and (v) no granted RSUs were cancelled.

Pursuant to Rule 17.07(1) of the Listing Rules, the closing prices of the Shares immediately before 10 June 2022, being the date on which the RSUs were granted, was HK\$6.32.

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of RSUs available for grant under the RSU Scheme as at 1 January 2023 and 30 June 2023 were 18,792,570 and 18,932,570, respectively.

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 20,092,570 Shares, representing approximately 2.03% of the 989,750,000 ordinary Shares of the Company in issue as at 30 August 2023, being the date of this announcement.

Pursuant to Rule 17.09(9) of the Listing Rules, as at 30 June 2023, the remaining life of the RSU Scheme is about 8 years and 9 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 and RSUs granted under the Share Option Scheme and RSU Scheme of the Company during the six months ended 30 June 2023 divided by the weighted average number of shares of the relevant class in issue for the corresponding period was 8.42%.

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

During the six months ended 30 June 2023, the Company repurchased 17,058,500 shares on the Stock Exchange for an aggregate consideration of approximately HKD103.4 million before expenses. The repurchased shares were subsequently cancelled. 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:

<b>Month of purchase in the six months ended 30 June 2023</b>	<b>No. of shares purchased</b>	<b>Purchase consideration per share</b>		<b>Aggregate consideration paid HKD</b>
		<b>Highest price paid HKD</b>	<b>Lowest price paid HKD</b>	
January	4,016,000	6.14	5.96	24,330,330
March	1,776,500	5.9	5.63	10,230,880
April	5,240,000	6.39	5.71	32,103,310
May	5,364,000	6.4	6.09	33,326,085
June	662,000	5.31	5.1	3,447,950
<b>TOTAL</b>	<b>17,058,500</b>			<b>103,438,555</b>

Save as above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

## **DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING INTERESTS OR CONFLICT OF INTEREST**

For the six months ended 30 June 2023, the Directors are not aware of any business or interest of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the Listing Rules) that competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person has or may have with the Company.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with the provisions set out in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions adopted by the Company during the period from the Listing Date to the date of this announcement.

## **CHANGES IN INFORMATION OF DIRECTORS**

Mr. Lo Wai Hung resigned as an independent non-executive director of C Cheng Holdings Limited (stock code: 1486) with effect from 3 April 2023.

Save as above, there is no other 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 shall be entitled to be indemnified out of the assets of the Company against all liabilities (to the fullest extent permitted by the Companies Ordinance) which he may incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has taken out insurance against all liabilities associated with defending any proceedings which may be brought against Directors and other officers of the Company.

## **MANAGEMENT CONTRACTS**

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the first half of 2023.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, at least 25% of the Company's total issued Shares was held by the public throughout the six months ended 30 June 2023 and thereafter up to the date of this announcement.

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Articles of Association or the relevant laws of the Cayman Islands and there is no restriction against such rights which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

## **TAX RELIEF**

The Directors are not aware of any tax relief available to the Shareholders of the Company by reason of their holding of the Company's securities.

## **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 14 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 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 2023.

## **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 14 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 2023 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 2023 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**

The Company had no significant subsequent event after reporting period.

## INTERIM RESULTS

The board of Directors of the Company (the “**Board**”) announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2023 together with comparative figures for the corresponding period in 2022. The financial information has been approved by the Board.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	NOTES	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>	4		
– Platform-based services		67,413	29,324
– Supply chain technology services		16,651	284
<i>Income from digital financing solutions</i>	4		
– Interest income from supply chain assets		344,407	292,987
– Guarantee income		9,570	9,349
– Interest income from contracts that contain significant financing components		977	–
<i>Gain on sales of supply chain assets</i>	4	55,818	54,312
Revenue and income from principal activities		<u>494,836</u>	<u>386,256</u>
Other income	5	38,340	21,091
Other gains and losses	6	6,347	1,351
Staff costs	9	(60,457)	(60,133)
Depreciation and amortisation	9	(15,678)	(14,091)
Materials cost	9	(15,411)	(354)
Other operating expenses		(26,432)	(27,245)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	15	4,633	(2,320)
Finance costs	7	(200,021)	(118,662)
Donation	9	(2,206)	(329)
Share of profit of associates		5,051	2,290
Profit before taxation		229,002	187,854
Taxation	8	(41,996)	(8,771)
Profit for the period	9	<u>187,006</u>	<u>179,083</u>
Attributable to:			
– Owners of the Company		174,862	168,212
– Non-controlling interests		12,144	10,871
		<u>187,006</u>	<u>179,083</u>
Earnings per share	11		
– Basic (RMB cents)		18	17
– Diluted (RMB cents)		18	17

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2023*

		<b>Six months ended 30 June</b>	
		<b>2023</b>	2022
	<i>NOTE</i>	<b>RMB'000</b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>9</b>	<b>187,006</b>	179,083
<b>Other comprehensive income (expense) (“OCI”):</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Fair value gain on investments in equity instruments at fair value through OCI (“FVTOCI”)		<b>4,220</b>	–
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>(76)</b>	(32)
Fair value gain, net of ECL, and reclassification of FVTOCI reserves upon derecognition on:			
– supply chain assets at FVTOCI		<b>4,131</b>	2,942
Income tax relating to items that may be reclassified subsequently		<b>(899)</b>	(812)
Share of other comprehensive income of associates, net of related income tax		<b>330</b>	351
Other comprehensive income for the period, net of income tax		<b>7,706</b>	2,449
Total comprehensive income for the period		<b>194,712</b>	181,532
Attributable to:			
– Owners of the Company		<b>181,089</b>	170,869
– Non-controlling interests		<b>13,623</b>	10,663
		<b>194,712</b>	181,532



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

		30 June 2023	31 December
	NOTES	RMB'000	2022
		(Unaudited)	RMB'000
			(Audited)
<b>Non-current assets</b>			
Property and equipment		27,828	17,426
Right-of-use assets		110,222	91,322
Investment property		31,536	31,936
Goodwill		316,028	316,028
Intangible assets		163,575	155,676
Investments in associates	12	355,180	209,350
Deferred tax assets		25,341	22,359
Derivative financial instruments		–	2,015
Other financial assets at fair value through profit or loss (“FVTPL”)	13	138,320	152,879
Supply chain assets at FVTOCI	14	77,281	235,137
Equity instruments at FVTOCI		57,949	53,629
Debt instrument at amortised cost		–	18,981
Trade and bill receivables		22,937	15,542
Other receivables, prepayments and others		13,635	11,230
Time deposits		16,758	105,534
		<b>1,356,590</b>	1,439,044
<b>Current assets</b>			
Derivative financial instruments		30,573	3,634
Other financial assets at FVTPL	13	274,603	256,264
Supply chain assets at FVTOCI	14	7,966,413	8,186,941
Debt instrument at amortised cost		18,962	–
Loans to an associate		198,728	199,385
Loan receivable		–	164,000
Receivables from guarantee customers		2,663	4,558
Trade and bill receivables		38,711	37,930
Other receivables, prepayments and others		78,825	27,447
Contract costs		1,727	3,560
Time deposits		112,797	5,850
Pledged bank deposits		507,073	472,813
Cash and cash equivalents		615,502	577,033
		<b>9,846,577</b>	9,939,415

		<b>30 June 2023</b>	31 December
	<i>NOTES</i>	<b>RMB'000</b>	2022
		<b>(Unaudited)</b>	<b>RMB'000</b>
			(Audited)
<b>Current liabilities</b>			
Loans from related parties		788,286	370,052
Trade and other payables	16	311,354	494,285
Derivative financial instruments		2,982	12,904
Contract liabilities		20,370	5,180
Income tax payable		49,789	37,119
Liabilities arising from guarantee contracts	17	18,905	25,891
Borrowings	18	3,615,337	4,494,121
Other financial liabilities at FVTPL	19	106,375	–
Lease liabilities		11,376	5,111
		<u>4,924,774</u>	<u>5,444,663</u>
<b>Net current assets</b>		<u>4,921,803</u>	<u>4,494,752</u>
<b>Non-current liabilities</b>			
Derivative financial instruments		–	2,056
Borrowings	18	2,166,373	1,746,189
Lease liabilities		15,259	1,263
Deferred tax liabilities		50,890	60,599
		<u>2,232,522</u>	<u>1,810,107</u>
<b>Net assets</b>		<u>4,045,871</u>	<u>4,123,689</u>
<b>Capital and reserves</b>			
Share capital	20	8,574	8,717
Reserves		3,831,018	3,907,475
Equity attributable to owners of the Company		3,839,592	3,916,192
Non-controlling interests		206,279	207,497
<b>Total equity</b>		<u>4,045,871</u>	<u>4,123,689</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company											
	Share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Share held for restricted share unit scheme ("RSU Scheme") <i>RMB'000</i>	Capital reserves <i>RMB'000</i>	FVTOCI reserves/ Revaluation reserves <i>RMB'000</i>	Translation reserves <i>RMB'000</i>	Share- based payments reserves <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023 (unaudited)	8,717	2,272,342	(39,311)	1,775	15,064	(137)	25,933	216,115	1,415,694	3,916,192	207,497	4,123,689
Profit for the period	-	-	-	-	-	-	-	-	174,862	174,862	12,144	187,006
Other comprehensive income (expense) for the period	-	-	-	-	6,303	(76)	-	-	-	6,227	1,479	7,706
Total comprehensive income (expense) for the period	-	-	-	-	6,303	(76)	-	-	174,862	181,089	13,623	194,712
Purchase of shares under RSU Scheme	-	-	(10,693)	-	-	-	-	-	-	(10,693)	-	(10,693)
Repurchase and cancellation of shares	(143)	(90,651)	-	-	-	-	-	-	-	(90,794)	-	(90,794)
Acquisition of additional interest in a subsidiary of the Company	-	-	-	(89,231)	-	-	-	-	-	(89,231)	(38,566)	(127,797)
Disposal of partial interests in a subsidiary without losing control	-	-	-	275	-	-	-	-	-	275	23,725	24,000
Recognition of equity-settled share-based payments	-	-	-	-	-	-	1,303	-	-	1,303	-	1,303
Dividends recognised as distribution (note 10)	-	(68,549)	-	-	-	-	-	-	-	(68,549)	-	(68,549)
Lapse of share options	-	-	-	-	-	-	(917)	-	917	-	-	-
At 30 June 2023 (unaudited)	<u>8,574</u>	<u>2,113,142</u>	<u>(50,004)</u>	<u>(87,181)</u>	<u>21,367</u>	<u>(213)</u>	<u>26,319</u>	<u>216,115</u>	<u>1,591,473</u>	<u>3,839,592</u>	<u>206,279</u>	<u>4,045,871</u>

Attributable to owners of the Company

	Share capital RMB'000	Share premium RMB'000	Share held for 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 2022 (audited)	<u>8,687</u>	<u>2,319,847</u>	<u>-</u>	<u>1,547</u>	<u>4,007</u>	<u>33</u>	<u>27,381</u>	<u>93,173</u>	<u>1,316,170</u>	<u>3,770,845</u>	<u>182,749</u>	<u>3,953,594</u>
Profit for the period	-	-	-	-	-	-	-	-	168,212	168,212	10,871	179,083
Other comprehensive income (expense) for the period	-	-	-	-	<u>2,689</u>	<u>(32)</u>	-	-	-	<u>2,657</u>	<u>(208)</u>	<u>2,449</u>
Total comprehensive income (expense) for the period	-	-	-	-	<u>2,689</u>	<u>(32)</u>	-	-	<u>168,212</u>	<u>170,869</u>	<u>10,663</u>	<u>181,532</u>
Purchase of shares under RSU Scheme	-	-	(6,844)	-	-	-	-	-	-	(6,844)	-	(6,844)
Recognition of equity-settled share-based payments	-	-	-	-	-	-	1,146	-	-	1,146	-	1,146
Dividends recognised as distribution (note 10)	-	(64,411)	-	-	-	-	-	-	-	(64,411)	-	(64,411)
Exercise of share options	11	6,777	-	-	-	-	(1,697)	-	-	5,091	-	5,091
Lapse of share options	-	-	-	-	-	-	(2,697)	-	<u>2,697</u>	-	-	-
At 30 June 2022 (unaudited)	<u>8,698</u>	<u>2,262,213</u>	<u>(6,844)</u>	<u>1,547</u>	<u>6,696</u>	<u>1</u>	<u>24,133</u>	<u>93,173</u>	<u>1,487,079</u>	<u>3,876,696</u>	<u>193,412</u>	<u>4,070,108</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	<b>RMB'000</b>	<b>RMB'000</b>
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES	<b>633,920</b>	460,205
INVESTING ACTIVITIES		
Proceeds from disposal of other financial assets at FVTPL	431,755	372,239
Repayment of a loan receivable	164,000	83,345
Repayments from loans to an associate	150,500	–
Bank interest income received	4,837	4,982
Proceeds from time deposits	4,360	–
Construction related deposits received	4,000	–
Interest received from loans to an associate	1,200	–
Interest received from debt instrument at amortised cost	490	–
Proceeds from disposal of equipment	32	1
Redemption of a debt instrument at amortised cost	–	10,847
Withdrawal of pledged bank deposits for derivative financial instruments	–	2,000
Interest received from a loan receivable	–	1,040
Purchases of debt instruments at amortised cost	–	(47,739)
Advances of a loan receivable	–	(83,345)
Payments for right-of-use assets	–	(86,314)
Net cash inflow arising on acquisition of assets through acquisition of a subsidiary	–	262
Repayment of security deposits for derivative financial instruments	–	201
Refundable rental deposits received	–	95
Payments for refundable rental deposits	(53)	–
Purchase of equity instruments at FVTOCI	(100)	–
Purchase of property and equipment	(13,615)	(659)
Payment for development costs and purchase of other intangible assets	(14,079)	(9,465)
Payment for settlement of derivative financial instruments	(16,529)	(10,666)
Placement of time deposits	(16,758)	(112,490)
Investment in an associate	(140,449)	–
Advances of a loan to an associate	(147,000)	–
Repayment of security deposit for loan receivable	(164,000)	–
Purchase of other financial assets at FVTPL	(466,300)	(430,773)
NET CASH USED IN INVESTING ACTIVITIES	<b>(217,709)</b>	(306,439)

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>FINANCING ACTIVITIES</b>		
New borrowings raised	<b>4,080,980</b>	2,336,292
Loans raised from related parties	<b>1,812,821</b>	521,000
Withdrawal of pledged bank deposits for borrowings	<b>211,358</b>	88,183
Withdrawal of pledged structured deposits for bank borrowings	<b>206,941</b>	–
Proceeds from other financial liabilities at FVTPL	<b>92,115</b>	–
Proceeds from disposal of partial interest in a subsidiary without losing control	<b>23,000</b>	–
Repayment of security deposits for borrowings	<b>6,699</b>	–
Proceeds received on exercise of equity-settled share options	–	4,143
Security deposits paid for borrowings	–	(16,503)
Interest paid for lease liabilities	<b>(584)</b>	(448)
Repayment of lease liabilities	<b>(6,169)</b>	(7,002)
Purchase of shares under RSU Scheme	<b>(10,693)</b>	(6,844)
Interest paid for loans from related parties	<b>(27,758)</b>	(13,658)
Temporary advance to a non-controlling shareholder of a subsidiary	<b>(41,650)</b>	–
Acquisition of additional interest in a subsidiary of the Company	<b>(87,294)</b>	–
Payment on repurchase and cancellation of shares	<b>(90,794)</b>	–
Interest paid for borrowings	<b>(170,975)</b>	(101,986)
Placement of structured deposits pledged for borrowings	<b>(171,247)</b>	(160,000)
Placement of pledged bank deposits for borrowings	<b>(251,586)</b>	(79,368)
Repayment of loans from related parties	<b>(1,529,857)</b>	(190,000)
Repayment of borrowings	<b>(4,417,230)</b>	(2,345,966)
	<hr/> <b>(371,923)</b>	<hr/> 27,843
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>44,288</b>	181,609
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>577,033</b>	800,410
Effect of foreign exchange rate changes	<b>(5,819)</b>	(23,602)
	<hr/> <b>615,502</b>	<hr/> 958,417
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>		

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 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.

### 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”), and the application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

#### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following new and 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 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17(including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In addition, in July 2023, the HKICPA issued the amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “**Pillar Two legislation**”). The amendments require that entities shall apply the amendments immediately upon issuance.

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.

#### 2.1 Impacts and changes in accounting policies on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

##### 2.1.1 Accounting policies

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

#### *2.1.2 Transition and summary of effects*

For reporting entities which previously applied the HKAS 12 requirements to assets and liabilities arising from a single transaction separately

As disclosed in the Group's annual financial statements for the year ended 31 December 2022, the Group previously applied the HKAS 12 requirements to assets and liabilities arising from a single transaction separately and temporary differences on initial recognition on the relevant assets and liabilities were not recognised due to application of the initial recognition exemption. In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance.

## **2.2 Accounting policies which became relevant to the Group**

### *Financial instruments*

Financial liabilities and equity

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:



- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

### 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 services, digital financing solutions, supply chain technology services 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 services, digital financing solutions, supply chain technology services and sales of supply chain assets in the PRC.

#### (i) Disaggregation of revenue from contracts with customers

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<i>Platform-based services</i>		
– Referral service fees	37,687	–
– Technology service for loan facilitation	29,501	27,684
– Technology service for asset-backed securitisation ("ABS") products	–	1,199
– Other services	225	441
	<u>67,413</u>	<u>29,324</u>
<i>Supply chain technology services</i>	<u>16,651</u>	<u>284</u>
	<u><u>84,064</u></u>	<u><u>29,608</u></u>

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Timing of revenue recognition</b>		
Over time		
– Technology service for loan facilitation	29,501	27,684
– Supply chain technology services	16,651	284
– Other services	225	441
	<u>46,377</u>	<u>28,409</u>
A point in time		
– Referral service fees	37,687	–
– Technology service for ABS products	–	1,199
	<u>37,687</u>	<u>1,199</u>
	<u>84,064</u>	<u>29,608</u>

**(ii) Income from digital financing solutions**

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>Digital financing solutions</i>		
– Interest income from supply chain assets	344,407	292,987
– Guarantee income	9,570	9,349
– Interest income from contracts that contain significant financing components	977	–
	<u>354,954</u>	<u>302,336</u>

**(iii) Gain on sales of supply chain assets**

For the six months ended 30 June 2023 and 2022, the Group sold part of supply chain assets to certain financial institutions in the PRC. Sales of supply chain assets gave rise to full derecognition of the supply chain assets pursuant to the terms of sale agreements signed between the Group and relevant financial institutions.

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Gain on sales of supply chain assets	<u>55,818</u>	<u>54,312</u>

5. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Government subsidies	25,721	13,703
Interest income		
– bank deposits	7,629	4,982
– loans to an associate	3,806	–
– debt instruments at amortised cost	471	1,073
– loan receivables	–	1,040
Rental income from an investment property	321	34
Others	392	259
	<u>38,340</u>	<u>21,091</u>

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net gain arising from changes in fair value of derivative financial instruments	20,373	3,220
Net gain from changes in fair value of other financial assets at FVTPL	6,410	21,850
Gain from modification of lease contracts	–	33
Exchange loss, net	(5,952)	(23,641)
Loss arising from changes in fair value of other financial liabilities at FVTPL	(14,260)	–
Others	(224)	(111)
	<u>6,347</u>	<u>1,351</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest and guarantee expenses on borrowings	167,386	103,625
Interest on loans from related parties	32,051	14,589
Interest on lease liabilities	584	448
	<u>200,021</u>	<u>118,662</u>

8. TAXATION

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax	53,074	14,171
– Withholding tax levied on dividend declared of a PRC subsidiary	2,000	–
– Withholding tax levied on interest income of a Hong Kong subsidiary	512	1,042
	<u>55,586</u>	<u>15,213</u>
Deferred tax	(13,590)	(6,442)
	<u>41,996</u>	<u>8,771</u>

## 9. PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Directors' emoluments ( <i>note i</i> )	3,331	65
Other staff costs (excluding directors' emoluments)		
– Salaries, allowances and other staff benefits, including share-based payment expenses	62,706	64,218
– Staff's retirement benefit scheme contributions	5,731	5,223
	<u>71,768</u>	<u>69,506</u>
Total staff costs	71,768	69,506
Less: amount capitalised in intangible assets	(10,843)	(9,373)
Less: amount capitalised in contract cost	(468)	–
	<u>60,457</u>	<u>60,133</u>
Staff costs recognised in profit or loss	60,457	60,133
Depreciation of property and equipment	1,568	1,796
Depreciation of right-of-use assets	7,530	6,857
Depreciation of investment property	400	75
Amortisation of intangible assets	6,187	5,374
	<u>15,685</u>	<u>14,102</u>
Total depreciation and amortisation	15,685	14,102
Less: amount capitalised in development costs	(7)	(11)
	<u>15,678</u>	<u>14,091</u>
Depreciation and amortisation recognised in profit or loss	15,678	14,091
Research and development costs ( <i>note ii</i> )	7,211	4,462
Materials cost recognised as an expense	15,411	354
Donation	2,206	329
	<u><u>22,828</u></u>	<u><u>15,145</u></u>

### Notes:

- (i) During the six months ended 30 June 2022, the options granted to a director failed to satisfy a vesting condition other than a market condition and did not vest, which result in a reversal of RMB2,628,000 in the share-based payment expenses.
- (ii) During the six months ended 30 June 2023, research and development costs mainly consist of staff costs amounted to RMB7,195,000 (six months ended 30 June 2022: RMB4,322,000).

## 10. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the period:

	Six months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
2022 final – HK7.5 cents (2022: 2021 final dividend HK7.5 cents) per share	<u>74,349</u>	<u>75,318</u>

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Shown in the condensed consolidated financial statements	<u>68,549</u>	<u>64,411</u>

The directors of the Company do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2023.

## 11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Earnings:</b> Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>174,862</u>	<u>168,212</u>

	Six months ended 30 June	
	2023	2022
	<i>'000</i>	<i>'000</i>
	(Unaudited)	(Unaudited)
<b>Number of shares:</b> Weighted average number of ordinary shares for the purpose of basic earnings per share	990,675	1,004,395
Effect of dilutive potential ordinary shares: Share options/RSU Scheme	<u>541</u>	<u>1,156</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>991,216</u>	<u>1,005,551</u>

## 12. INVESTMENTS IN ASSOCIATES

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

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Cost of investments in associates, unlisted	349,649	209,200
Share of post-acquisition profit	5,064	13
Share of post-acquisition OCI	467	137
	<u>355,180</u>	<u>209,350</u>

## 13. OTHER FINANCIAL ASSETS AS FVTPL

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Equity tranche	186,995	146,730
Structured deposits	128,763	164,634
Unlisted equity investments	95,336	95,550
Trust fund	1,829	2,229
	<u>412,923</u>	<u>409,143</u>
Analysed for reporting purposes as:		
Current assets	274,603	256,264
Non-current assets	138,320	152,879
	<u>412,923</u>	<u>409,143</u>

**14. SUPPLY CHAIN ASSETS AT FVTOCI**

	<b>30 June 2023</b>	31 December 2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Supply chain assets at FVTOCI	<u>8,043,694</u>	<u>8,422,078</u>
Analysed for reporting purposes as:		
Current assets	<b>7,966,413</b>	8,186,941
Non-current assets	<u>77,281</u>	<u>235,137</u>
	<u><b>8,043,694</b></u>	<u>8,422,078</u>

As at 30 June 2023, the effective interest rates of the supply chain assets at FVTOCI range mainly from 5.50% to 13.00% (31 December 2022: 4.00% to 15.00%) per annum.

As at 30 June 2023, certain commercial acceptance bills received from customers with fair value amounting of RMB276,973,000 (31 December 2022: RMB594,777,000) as pledged bills to the supply chain assets. The bills can also be applied and used to settle any outstanding receivables of supply chain assets for the corresponding contract if default occurs, otherwise the Company needs to return the bills if the outstanding supply chain assets are settled. Until such time as default occurs and they are used to settle the supply chain assets, the commercial acceptance bills are not recognised as an asset in the condensed consolidated financial statements.

As at 30 June 2023, the gross carrying amount of supply chain assets of RMB404,000 is past due (31 December 2022: RMB4,453,000). 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**

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Impairment losses recognised (reversed) on:		
– Supply chain assets at FVTOCI	<b>(4,235)</b>	2,293
– Financial guarantee contracts	<b>(365)</b>	24
– Receivables from guarantee customers	<b>(24)</b>	3
– Loans to an associate	<u><b>(9)</b></u>	<u>–</u>
	<u><b>(4,633)</b></u>	<u>2,320</u>



## 16. TRADE AND OTHER PAYABLES

	<b>30 June 2023</b>	31 December 2022
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Deposits from digital financing solutions customers	78,662	157,261
Dividend payable to shareholders of the Company	70,433	1,675
Other tax payables	49,258	44,695
Settlement payables to customers and funding providers	44,434	84,649
Consideration payable for acquisition of additional interest in a subsidiary of the Company	40,503	–
Accrued charges	10,486	34,489
Guarantee expenses payable	6,911	–
Trade payables	5,460	4,489
Other deposits	4,167	162
Construction payables	878	2,525
Security deposit for a loan receivable	–	164,000
Other payables	162	340
	<u>311,354</u>	<u>494,285</u>

## 17. LIABILITIES ARISING FROM GUARANTEE CONTRACTS

	30 June 2023			31 December 2022		
	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	7,472	15,924	16,393	13,635	23,911	25,196
– associates	203	2,512	2,512	661	342	695
	<u>7,675</u>	<u>18,436</u>	<u>18,905</u>	<u>14,296</u>	<u>24,253</u>	<u>25,891</u>

The following is the maximum amount the Group has guaranteed under the contracts.

	<b>30 June 2023</b>	31 December 2022
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Guarantee contracts in relation to:		
– third parties	1,507,520	2,216,570
– associates	1,449,632	145,430
	<u>2,957,152</u>	<u>2,362,000</u>

## 18. BORROWINGS

	30 June 2023 <i>RMB'000</i> (Unaudited)	31 December 2022 <i>RMB'000</i> (Audited)
Bank borrowings and bills discounted	3,420,103	3,166,919
ABS issued	1,097,575	1,108,513
Bank loans under supplier finance arrangements	68,562	207,630
Entrusted loans	231,837	150,392
Other loans	963,633	1,606,856
	<u>5,781,710</u>	<u>6,240,310</u>
Secured	5,464,196	5,372,246
Unsecured	317,514	868,064
	<u>5,781,710</u>	<u>6,240,310</u>
	30 June 2023 <i>RMB'000</i> (Unaudited)	31 December 2022 <i>RMB'000</i> (Audited)
The carrying amounts of the above borrowings are repayable*:		
– within one year	3,365,835	4,443,604
– within a period of more than one year but not exceeding two years	1,633,239	932,397
– within a period of more than two years but not exceeding five years	533,134	813,792
	<u>5,532,208</u>	<u>6,189,793</u>
The carrying amounts of the above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
– within one year	249,502	50,517
	<u>5,781,710</u>	<u>6,240,310</u>
Less: Amounts due within one year shown under current liabilities	<u>(3,615,337)</u>	<u>(4,494,121)</u>
Amounts shown under non-current liabilities	<u>2,166,373</u>	<u>1,746,189</u>

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

## 19. OTHER FINANCIAL LIABILITIES AT FVTPL

	30 June 2023 <i>RMB'000</i> (Unaudited)	31 December 2022 <i>RMB'000</i> (Audited)
Structured notes	<u>106,375</u>	<u>–</u>

## 20. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of shares	Share capital <i>HK\$</i>
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 January 2022, 1 January 2023 and 30 June 2023 (unaudited)	5,000,000,000	50,000,000
	<u>Number of shares</u>	<u>Share capital</u> <i>HK\$</i>
<b>Issued:</b>		
At 1 January 2022 (audited)	1,004,296,500	10,042,965
Exercise of share options	3,418,000	34,180
At 31 December 2022 (audited)	1,007,714,500	10,077,145
Repurchase and cancellation of shares	(16,396,500)	(163,965)
At 30 June 2023 (unaudited)	991,318,000	9,913,180
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Shown in the condensed consolidated statement of financial position	<u>8,574</u>	<u>8,717</u>

All the shares issued during the period ranked pari passu in all respects with the then existing shares in issue.

## **PUBLICATION**

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

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

Hong Kong, 30 August 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.*

*Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.08 for information purpose only.*