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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)

MAJOR TRANSACTION – PROVISION OF FINANCIAL ASSISTANCE TO AN AFFILIATED COMPANY

THE SUPPLEMENTAL FINANCIAL ASSISTANCE AGREEMENT

The Board is pleased to announce that on 28 September 2023 (after trading hours of the Stock Exchange), to support the business development of NBGF (an affiliated company of the Company) and to finance the operation of supply chain finance business engaged by NBGF, Sheng Long (an indirect non-wholly owned subsidiary of the Company) and SY Factoring (an indirect wholly owned subsidiary of the Company) entered into the Supplemental Financial Assistance Agreement with NBGF.

Pursuant to the Previous Financial Assistance Agreement as revised by the Supplemental Financial Assistance Agreement, the parties agreed, among other things, that (i) Sheng Long shall provide guarantees as security for the debt financing of NBGF in proportion to its shareholding interest in NBGF, in which SY Factoring shall provide joint and several guarantees (the “**Financial Assistance A**”); and (ii) Sheng Long shall provide shareholder loans to NBGF (the “**Financial Assistance B**”, together with the Financial Assistance A, the “**Financial Assistance**”). The aggregated maximum amount of the Financial Assistance was increased from RMB875 million to RMB2.1 billion, subject to compliance with the relevant regulatory requirement. The term of the Financial Assistance was amended from twenty-four (24) months from the date of the Previous Financial Assistance Agreement, to the period from the date of the Supplemental Financial Assistance Agreement to 31 December 2025.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Financial Assistance exceed 25% but all are less than 100%, the entry of the Supplemental Financial Assistance Agreement constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

In addition, pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the relevant advances to an entity by the Group or the financial assistance to affiliated companies of the Group exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. As the Financial Assistance constitutes advances to an entity and/or financial assistances to affiliated company of the Group and the asset ratio (as defined in the Listing Rules) for the Financial Assistance Agreement exceeds 8%, the Supplemental Financial Assistance Agreement is subject to the general disclosure obligation pursuant to Rules 13.13, 13.15 and 13.16 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular (the “**Circular**”) containing, among other things, further details of the Supplemental Financial Assistance Agreement and other information required under the Listing Rules is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement. As additional time is needed for the preparation of certain sections to be included in the Circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules for an extension of the deadline for the despatch of the Circular to the Shareholders to on or before 21 November 2023.

BACKGROUND

Reference is made to the announcement of the Company dated 23 September 2022.

On 29 July 2022, Sheng Long and NDIG established a joint venture NBGF in the PRC to provide differentiated digital financial solutions for NDIG’s ecosystem, to help solve the supply chain difficulties faced by SMEs and vigorously promote supply chain digital technology services. NBGF has a registered capital of RMB200 million, of which NDIG and Sheng Long contributed 65% and 35% in cash, respectively. Pursuant to the joint venture agreement entered into by both parties in June 2022, Sheng Long and NDIG agreed to jointly provide financing support to NBGF in proportion to their respective shareholding interest in NBGF.

On 28 September 2023, Sheng Long and NDIG entered into a share subscription agreement (the “**Share Subscription Agreement**”) pursuant to which both parties agreed to subscribe the newly issued shares of NBGF in proportion of their initial shareholding interest in NBGF. After the completion of the Share Subscription Agreement, NBGF has a registered capital of RMB500 million, with NDIG and Sheng Long’s shareholding interest in NBGF remaining unchanged at 65% and 35%, respectively.

SUPPLEMENTAL FINANCIAL ASSISTANCE AGREEMENT

To align with the robust business growth and funding needs of NBGF, Sheng Long and NDIG also agreed to increase the size and to extend the term of their financing support to NBGF. The Board is pleased to announce that on 28 September 2023 (after trading hours of the Stock Exchange), Sheng Long, SY Factoring and NBGF entered into the Supplemental Financial Assistance Agreement to revise certain provisions of the Previous Financial Assistance Agreement in order to support the business development of NBGF and to finance the operation of supply chain finance business engaged by NBGF.

The principal terms of the Supplemental Financial Assistance Agreement are set out as follows:

Date:	28 September 2023 (after trading hours of the Stock Exchange)
Parties:	(i) Sheng Long; (ii) SY Factoring; and (iii) NBGF
Term of the Financial Assistance:	From the date of the Supplemental Financial Assistance Agreement to 31 December 2025.
Financial Assistance A:	Sheng Long shall provide unsecured guarantees as security for the debt financing of NBGF in proportion to its shareholding interest in NBGF, in which SY Factoring shall provide joint and several guarantees. The SY Group will not charge any fee on NBGF in relation to the Financial Assistance A.
Financial Assistance B:	Sheng Long shall provide unsecured shareholder loans jointly with NDIG to NBGF in proportion to their respective shareholding interest in NBGF, the interest rate of which shall not exceed the LPR of the corresponding maturity term.
Size limit:	The aggregated maximum amount of the Financial Assistance shall not exceed RMB2.1 billion subject to compliance with the relevant regulatory requirement.
Utilisation:	The amount of Financial Assistance A corresponding to the principal balance of debt financing actually used shall not exceed RMB1,575 million per month during the relevant term.

The size limit and interest rate of the Financial Assistance was determined by the parties based on arm's length negotiation by considering, among other things, (i) the growing funding needs of NBGF; (ii) the original terms of the Previous Financial Assistance Agreement; (iii) the credit rating and repayment track record of NBGF; and (iv) the fact that the Group will benefit as a shareholder from NBGF's growing business scale and business income.

As at the Latest Practicable Date, approximately RMB603.4 million of the Financial Assistance has been utilised by NBGF, RMB410.9 million of which constitutes guarantees as security for banking facilities utilised by NBGF, and an interest income of approximately RMB5.7 million has been derived from the Financial Assistance. The Financial Assistance by the Group is financed by its internal resources and/or external borrowings. The principal amount and interest income derived from the Financial Assistance B provided by the Group would be repaid to the designated bank account of the Group via bank remittance.

Save as disclosed in this announcement, all the terms of the Previous Financial Assistance Agreement shall remain unchanged in all material respects and are in full force and effect.

REASONS FOR THE ENTRY OF THE SUPPLEMENTAL FINANCIAL ASSISTANCE AGREEMENT

The Group is a leading supply chain technology platform. The Group leverages its dual engine of Industrial Internet of Things and Digital Finance to create a supply chain technology platform, demonstrating its significant advantages in technological innovation.

Backed by NDIG's strong industrial background and the Group's supply chain technology platform service capabilities, NBGF achieved robust growth and delightful results by adopting advanced digital technology and a smart risk management system to provide differentiated digital financial solutions for NDIG's ecosystem, to help solve the supply chain difficulties faced by SMEs and vigorously promote supply chain digital technology services.

The Directors believe that the increment of financial assistance to be provided together with the state-owned shareholder will support NBGF to obtain debt financing more efficiently and economically for its business expansion. The endorsement of the state-owned shareholder also enables the Group to receive more support from the funding partners in the joint venture, thereby reducing capital costs and increasing leverage.

Given that the Supplemental Financial Assistance Agreement is under normal commercial terms, and is beneficial to the Group in its business expansion and establishment of long term business relationship with NBGF and NDIG, the Directors are of the view that the terms of the Supplemental Financial Assistance Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Financial Assistance exceed 25% but all are less than 100%, the entry of the Supplemental Financial Assistance Agreement constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the relevant advances to an entity by the Group or the financial assistance to affiliated companies of the Group exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. As the Financial Assistance constitutes advances to an entity and/or financial assistances to affiliated company of the Group and the asset ratio (as defined in the Listing Rules) for the Supplemental Financial Assistance Agreement exceeds 8%, the Supplemental Financial Assistance Agreement is subject to the general disclosure obligation pursuant to Rules 13.13, 13.15 and 13.16 of the Listing Rules.

The Company will comply with the relevant disclosure requirements under Rules 13.20 and 13.22 of the Listing Rules for so long as circumstances giving rise to such disclosure obligation continue to exist.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Supplemental Financial Assistance Agreement; and (ii) written approval has been obtained from a Shareholder who holds more than 50% of the voting rights at that general meeting of the Company to approve the Supplemental Financial Assistance Agreement.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is materially interested in the Supplemental Financial Assistance Agreement. As such, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Supplemental Financial Assistance Agreement.

The Company has received a written approval of the Supplemental Financial Assistance Agreement from Wisdom Cosmos, which is beneficially interested in approximately 56.64% of the Shares as at the date of this announcement, and therefore holds more than 50.00% of the voting rights at that general meeting of the Company. Accordingly, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Supplemental Financial Assistance Agreement.

GENERAL INFORMATION

Pursuant to Rule 14.41(a) of the Listing Rules, a Circular containing, among other things, further details of the Supplemental Financial Assistance Agreement and other information required under the Listing Rules is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement.

As additional time is needed for the preparation of certain sections to be included in the Circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules for an extension of the deadline for the despatch of the Circular to the Shareholders to on or before 21 November 2023. The Company will make further announcement after it has obtained the waiver from the Stock Exchange for delay in despatch of the Circular and the expected date of despatch of the Circular is confirmed.

DEFINITIONS

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

“affiliated company”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	SY Holdings Group Limited 盛業控股集團有限公司, an exempted company duly incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Stock Exchange (stock code: 6069)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Latest Practicable Date”	22 September 2023, being the latest practicable date prior to the release of this announcement for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LPR”	the Loan Prime Rate published by the People’s Bank of China* 中國人民銀行 from time to time
“NBGF”	Ningbo Guofu Commercial Factoring Co., Ltd* 寧波國富商業保理有限公司, a company established in the PRC with limited liability and it is principally engaged in the business of, among other things, the provision of commercial factoring. NBGF is owned as to 65% by NDIG and 35% by Sheng Long and is an affiliated company of the Company

“NDIG”	Ningbo Development & Investment Group Co., Ltd.* 寧波開發投資集團有限公司, a company established in the PRC with limited liability and it is principally engaged in the business of, among other things, project investment, asset management, real estate development and property management. NDIG is the holding company of NBGF. Both NDIG and its ultimate beneficial owner, State-owned Assets Supervision and Administration Commission of Ningbo Municipal Government* 寧波市人民政府國有資產監督管理委員會, are Independent Third Parties of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Financial Assistance Agreement”	the financial assistance agreement entered into among Sheng Long, SY Factoring and NBGF on 23 September 2022 (after trading hours of the Stock Exchange)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Sheng Long”	Shenglong Information Technology Services (Ningbo) Co., Ltd* 盛隆信息科技服務(寧波)有限公司, a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary (as to 82.8571% equity interest) of the Company
“SME(s)”	small and medium enterprise(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Supplemental Financial Assistance Agreement”	the supplemental financial assistance agreement entered into among Sheng Long, SY Factoring and NBGF on 28 September 2023 (after trading hours of the Stock Exchange)
“SY Factoring”	SY Factoring Limited* 盛業商業保理有限公司, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“SY Group”	collectively, Sheng Long and SY Factoring
“Wisdom Cosmos”	Wisdom Cosmos Limited, a company incorporated in the British Virgin Islands, is the beneficial owner of 560,601,960 Shares, representing approximately 56.64% shareholding interests in the Company
“%”	per cent

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

Hong Kong, 28 September 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.