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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 AMENDED 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 Ocean Holdings Factoring (an affiliated company of the Company), and to finance the operation of supply chain finance business engaged by Ocean Holdings Factoring, SY Factoring (an indirect wholly owned subsidiary of the Company) and Ocean Holdings entered into the Amended Financial Assistance Agreement.

Pursuant to the Amended Financial Assistance Agreement, the parties agreed, among other things, that Ocean Holdings shall provide guarantees as security for the debt financing of Ocean Holdings Factoring (“**Controlling Shareholder Guarantees**”) and/or provide shareholder loans to Ocean Holdings Factoring (“**Controlling Shareholder Loans**”), and SY Factoring shall, in proportion to the shareholding interest of Qingdao Sunful (an indirect wholly owned subsidiary of the Company) in Ocean Holdings Factoring, (i) provide counter guarantees to Ocean Holdings in respect of the Controlling Shareholder Guarantees (the “**Financial Assistance A**”); and/or (ii) provide joint and several guarantees to Ocean Holdings in respect of the Controlling Shareholder Loans (the “**Financial Assistance B**”, together with the Financial Assistance A, the “**Financial Assistance**”). The expiry date of the Financial Assistance was revised from 31 December 2023 to 31 December 2025. The aggregated maximum daily average balance of the Financial Assistance was revised from RMB400 million to (i) RMB680 million up to the date of 31 December 2023; and (ii) four times of the net assets of Ocean Holdings Factoring during the period from 1 January 2024 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 Amended Financial Assistance exceed 25% but all are less than 100%, the entry of the Amended 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 Amended Financial Assistance Agreement exceeds 8%, the Amended 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 Amended 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 1 March 2023.

On 23 February 2023, Ocean Holdings Factoring became an affiliated company of the Company with a registered capital of RMB300 million, with Ocean Holdings Investment and Qingdao Sunful holding 60% and 40% of its shares, respectively. With the support from both shareholders, Ocean Holdings Factoring could provide diversified digital financial solutions for Ocean Holdings' ecosystem. Leveraging the empowerment of digital technology, Ocean Holdings Factoring improves the supply chain efficiency and strives to solve the financing pain points of SMEs. The groups of both shareholders agreed to provide financing support to Ocean Holdings Factoring for its business development.

On 25 September 2023, Ocean Holdings Investment and Qingdao Sunful entered into a share subscription agreement (the "**Share Subscription Agreement**"), pursuant to which both parties agreed to subscribe the newly issued shares of Ocean Holdings Factoring in proportion of their initial shareholding interest in Ocean Holdings Factoring. After the completion of the Share Subscription Agreement, Ocean Holdings Factoring has a registered capital of RMB527 million, with Ocean Holdings Investment and Qingdao Sunful's shareholding interest in Ocean Holdings Factoring remaining unchanged at 60% and 40%, respectively.

## AMENDED FINANCIAL ASSISTANCE AGREEMENT

To align with the robust business growth and funding needs of Ocean Holdings Factoring, the groups of both shareholders agreed to increase the amount and extend the term of the financing support provided previously. The Board is pleased to announce that on 28 September 2023 (after trading hours of the Stock Exchange), SY Factoring and Ocean Holdings entered into the Amended Financial Assistance Agreement to revise certain provisions of the Previous Financial Assistance Agreement in order to support the business development of Ocean Holdings Factoring and to finance the operation of supply chain finance business engaged by Ocean Holdings Factoring.

This Amended Financial Assistance Agreement, upon its execution, shall supersede the Previous Financial Assistance Agreement, and the Previous Financial Assistance Agreement shall terminate automatically.

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

Date:	28 September 2023 (after trading hours of the Stock Exchange)
Parties:	<p>(i) Ocean Holdings, a state-owned company established in the PRC with limited liability and it is principally engaged in the business of, among other things, investment management, asset operation, equity management and capital operation as well as fund management. Ocean Holdings is the direct sole shareholder of Ocean Holdings Investment. As at the date of this announcement, to the best knowledge of the Directors after making all reasonable enquiries, save as its indirect shareholding in Ocean Holdings Factoring, Ocean Holdings and its ultimate beneficial owner, the State-owned Assets Administration Bureau of Qingdao West Coast New Area* 青島市西海岸新區國有資產管理局, are Independent Third Parties; and</p> <p>(ii) SY Factoring, a company established in the PRC with limited liability and it is principally engaged in the business of, among other things, the provision of factoring services. Both SY Factoring and Qingdao Sunful are indirect wholly-owned subsidiaries of the Company.</p>
Controlling Shareholder Guarantees:	Ocean Holdings shall provide guarantees as security for the debt financing of Ocean Holdings Factoring.
Controlling Shareholder Loans:	Ocean Holdings shall provide shareholder loans to Ocean Holdings Factoring.

Limit of the Controlling Shareholder Guarantees and the Controlling Shareholder Loans:	<p>The aggregated maximum daily average balance of the Controlling Shareholder Guarantees and the Controlling Shareholder Loans shall not exceed:</p> <ul style="list-style-type: none"> <li>(i) RMB1.7 billion up to the date of 31 December 2023; and</li> <li>(ii) 10 times of the net assets of Ocean Holdings Factoring during the period from 1 January 2024 to 31 December 2025, subject to compliance with the relevant regulatory requirement.</li> </ul>
Term of the Controlling Shareholder Guarantees and the Controlling Shareholder Loans:	From the date of the Amended Financial Assistance Agreement up to the date of 31 December 2025.
Financial Assistance A:	<p>In respect of the Controlling Shareholder Guarantees, SY Factoring shall provide unsecured counter guarantees to Ocean Holdings in proportion to Qingdao Sunful's shareholding interest in Ocean Holdings Factoring.</p> <p>SY Factoring will not charge any fee on Ocean Holdings Factoring in relation to the Financial Assistance A.</p>
Financial Assistance B:	<p>In respect of the Controlling Shareholder Loans, SY Factoring shall provide unsecured joint and several guarantees to Ocean Holdings in proportion to Qingdao Sunful's shareholding interest in Ocean Holdings Factoring.</p> <p>SY Factoring will not charge any fee on Ocean Holdings Factoring in relation to the Financial Assistance B.</p>
Size limit of the Financial Assistance:	<p>The aggregated maximum daily average balance of the Financial Assistance shall not exceed:</p> <ul style="list-style-type: none"> <li>(i) RMB680 million up to the date of 31 December 2023; and</li> <li>(ii) four times of the net assets of Ocean Holdings Factoring during the period from 1 January 2024 to 31 December 2025.</li> </ul>
Term of the Financial Assistance:	Within three (3) years from the expiry dates of the Controlling Shareholder Guarantees and/or the Controlling Shareholder Loans.

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 Ocean Holdings Factoring; (ii) the original terms of the Previous Financial Assistance Agreement; (iii) the credit rating and repayment track record of Ocean Holdings Factoring; and (iv) the fact that the Group will benefit as a shareholder from Ocean Holdings Factoring's growing business scale and business income.

As at the Latest Practicable Date, approximately RMB365.8 million of the Financial Assistance has been utilised by Ocean Holdings Factoring, RMB156.6 million of which constitutes guarantees as security for banking facilities utilised by Ocean Holdings Factoring, and no interest income has been derived from the Financial Assistance. The Financial Assistance by the Group would be financed by its internal resources and/or external borrowings if the relevant guarantees/counter guarantees were to be enforced.

## **REASONS FOR THE ENTRY OF THE AMENDED 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 Ocean Holdings' strong industrial background and financial support, as well as the Group's mature platform services and technology capabilities, Ocean Holdings Factoring could combine the technology edge and funding advantages to build a smart platform to match supply chain assets with funding, thereby improving the efficiency of the Ocean Holdings' supply chain.

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

Given that the Amended 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 Ocean Holdings Factoring and Ocean Holdings, the Directors are of the view that the terms of the Amended 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 Amended 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 Amended Financial Assistance Agreement exceeds 8%, the Amended 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 Amended 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 Amended 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 Amended 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 Amended Financial Assistance Agreement.

The Company has received a written approval of the Amended 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 Amended 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 Amended 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
“Amended Financial Assistance Agreement”	the financial assistance agreement entered into between SY Factoring and Ocean Holdings on 28 September 2023 (after trading hours of the Stock Exchange)
“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
“Ocean Holdings”	Qingdao West Coast New Area Ocean Holdings Group Limited* 青島西海岸新區海洋控股集團有限公司
“Ocean Holdings Investment”	Qingdao Ocean Holdings Investment Holdings Limited* 青島海控投資控股有限公司
“Ocean Holdings Factoring”	Qingdao Ocean Holdings Factoring Limited* 青島海控商業保理有限公司
“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 between SY Factoring and Ocean Holdings on 1 March 2023 (after trading hours of the Stock Exchange)
“Qingdao Sunful”	Qingdao SY Sunful Supply Chain Management Limited* 青島盛業曉盛供應鏈管理有限公司
“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)
“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
“SY Factoring”	SY Factoring Limited* 盛業商業保理有限公司
“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.*