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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 AND CONNECTED TRANSACTION  
IN RELATION TO  
DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY  
AND  
MAJOR TRANSACTION IN RELATION TO  
FINANCIAL ASSISTANCE AND EQUITY PLEDGE PROVIDED BY  
THE GROUP**

### **COLLABORATION AGREEMENT**

The Board is pleased to announce that, on 28 February 2024 (after trading hours), (i) Wuxi Taihu New City, (ii) Sheng Ye Digital, a wholly-owned subsidiary of the Company, (iii) Tianjin Shengzhuo, a wholly-owned subsidiary of the Company, (iv) the Target Company, and (v) the Company (together with its certain subsidiaries), entered into the Collaboration Agreement.

Pursuant to the Collaboration Agreement, Wuxi Taihu New City agreed to subscribe RMB569.4 million of the capital increase in the Target Company, Sheng Ye Digital and Tianjin Shengzhuo both agreed not to exercise their pre-emptive rights in relation to the Capital Increase. Upon completion of the Capital Increase, the registered capital of the Target Company will increase from RMB300.0 million to RMB489.8 million, and the Target Company will be owned as to 51% by Wuxi Taihu New City, 24.5% by Sheng Ye Digital, and 24.5% by Tianjin Shengzhuo. As each of Sheng Ye Digital's equity interest and Tianjin Shengzhuo's equity interest in the Target Company will be diluted from 40% to 24.5% respectively, and accordingly, the Group's total indirect equity interest in the Target Company will be diluted from 80% to 49% as a result of the Capital Increase. Upon completion of the Capital Increase, the Target Company will cease to become a non-wholly owned subsidiary of the Company.

Furthermore, pursuant to the Collaboration Agreement, the parties agreed that Wuxi Taihu New City Group shall provide guarantees as security for the debt financing of the Target Company (“**Controlling Shareholder Guarantees**”) and/or provide shareholder loans to the Target Company (“**Controlling Shareholder Loans**”), and SY Group shall, (i) provide counter guarantees to Wuxi Taihu New City Group in respect of the Controlling Shareholder Guarantees, in proportion to the aggregated shareholding interest of Sheng Ye Digital and Tianjin Shengzhuo in the Target Company upon the completion of the Capital Increase (the “**Financial Assistance A**”); and/or (ii) provide joint and several guarantees to Wuxi Taihu New City Group in respect of the Controlling Shareholder Loans (the “**Financial Assistance B**”, together with the Financial Assistance A, the “**Financial Assistance**”). The term of the Financial Assistance is from 1 January 2024 to 31 December 2026.

In addition, pursuant to the Collaboration Agreement, the parties agreed that upon the completion of the Capital Increase and the discharge of the pledged equity by Wuxi Tonghui (the previous shareholder of the Target Company) being no later than 28 June 2024, Sheng Ye Digital and Tianjin Shengzhuo shall respectively pledge 24.5% equity interest in the Target Company held by them to Wuxi Taihu New City to secure the Controlling Shareholder Guarantees and Controlling Shareholder Loans (the “**Equity Pledge**”).

#### **LISTING RULES IMPLICATIONS**

As the Capital Increase will result in the reduction of the Group’s equity interest in the Target Company (through Sheng Ye Digital and Tianjin Shengzhuo), the Collaboration Agreement constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Capital Increase exceeds 25% but all are less than 75%, the Collaboration Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Wuxi Taihu New City is a substantial shareholder of the Target Company (which is a subsidiary of the Company), and therefore Wuxi Taihu New City is a connected person of the Company at the subsidiary level. As such, the Capital Increase under the Collaboration Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) Wuxi Taihu New City is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Collaboration Agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the Collaboration Agreement are fair and reasonable, and that the Collaboration Agreement is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Capital Increase is subject to the announcement requirement but is exempt from the circular and independent shareholders’ approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Upon the completion of the Capital Increase, the Target Company will become an affiliate of the Company. 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 and the Equity Pledge exceed 25%, the Collaboration Agreement will constitute major transactions for the Company upon the completion of the Capital Increase, and will be 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 Collaboration Agreement exceeds 8%, the Collaboration 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 containing, among other things, further details of the Collaboration 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 30 June 2024.

## **THE COLLABORATION AGREEMENT**

The Board is pleased to announce that, on 28 February 2024 (after trading hours), (i) Wuxi Taihu New City, (ii) Sheng Ye Digital, a wholly-owned subsidiary of the Company, (iii) Tianjin Shengzhuo, a wholly-owned subsidiary of the Company, (iv) the Target Company, and (v) the Company (together with its certain subsidiaries), entered into the Collaboration Agreement. As at the date of this announcement, the Target Company is held as to 20% by Wuxi Taihu New City, 40% by Sheng Ye Digital, and 40% by Tianjin Shengzhuo.

Pursuant to the Collaboration Agreement, Wuxi Taihu New City agreed to subscribe RMB569.4 million of the capital increase in the Target Company, Sheng Ye Digital and Tianjin Shengzhuo both agreed not to exercise their pre-emptive rights in relation to the Capital Increase. Upon completion of the Capital Increase, the registered capital of the Target Company will increase from RMB300.0 million to RMB489.8 million, and the Target Company will be owned as to 51% by Wuxi Taihu New City, 24.5% by Sheng Ye Digital, and 24.5% by Tianjin Shengzhuo. As each of Sheng Ye Digital's equity interest and Tianjin Shengzhuo's equity interest in the Target Company will be diluted from 40% to 24.5% respectively, and accordingly, the Group's total indirect equity interest in the Target Company will be diluted from 80% to 49% as a result of the Capital Increase. Upon completion of the Capital Increase, the Target Company will cease to become a non-wholly owned subsidiary of the Company.

The principal terms of the Collaboration Agreement are set out as below:

Date:	28 February 2024
Parties:	(i) Wuxi Taihu New City; (ii) Sheng Ye Digital, a wholly-owned subsidiary of the Company; (iii) Tianjin Shengzhuo, a wholly-owned subsidiary of the Company; (iv) the Target Company; (v) the Company; (vi) Tianjin Sheng Ye, a wholly-owned subsidiary of the Company; (vii) Sheng Ye Information, a wholly-owned subsidiary of the Company; and (viii) SY Factoring, a wholly-owned subsidiary of the Company
Capital Increase:	Wuxi Taihu New City agreed to subscribe RMB569.4 million of the capital increase in the Target Company, Sheng Ye Digital and Tianjin Shengzhuo both agreed not to exercise their pre-emptive rights in relation to the Capital Increase. Upon completion of the Capital Increase, the registered capital of the Target Company will increase from RMB300.0 million to RMB489.8 million.
Consideration:	Wuxi Taihu New City subscribed for the Capital Increase in cash at RMB569.4 million, of which RMB189.8 million will be accounted for as the registered capital of the Target Company, and the remaining RMB379.6 million will be accounted for as the capital reserve of the Target Company.
Payment terms:	Wuxi Taihu New City will make the full payment of the Consideration on or before 31 March 2024.
Completion of the Capital Increase:	Completion of the Capital Increase will take place on the date when the change of business registration procedure for the Capital Increase is completed. Upon completion of the Capital Increase, any further changes to the registered capital and shareholder structuring of the Target Company shall be unanimously agreed by all shareholders of the Target Company.

Board composition:	Upon the completion of the Capital Increase, the board of the Target Company shall comprise of five directors, of which three directors shall be appointed by Wuxi Taihu New City, and the rest shall be appointed by Sheng Ye Digital, while the chairman of the board shall be designated by Wuxi Taihu New City.
Management composition:	<p>Upon the completion of the Capital Increase, the risk management committee of the Target Company shall comprise of five members, of which two members shall be appointed by Wuxi Taihu New City, and the rest shall be appointed by Sheng Ye Digital;</p> <p>The majority of the management team including the general manager, the general manager assistant, the marketing director, the operations director and the risk management director shall be appointed by Sheng Ye Digital, while the vice general manager and the finance director shall be appointed by Wuxi Taihu New City.</p>
Platform services:	In addition to the systems required to be accessed by the local financial regulatory authorities and the financial systems required to be accessed by Taihu New City Group, the Target Company shall only and exclusively use the platform systems provided by the companies designated by SY Group or Sheng Ye Digital in conducting its business.
Controlling Shareholder Guarantees:	Wuxi Taihu New City Group shall provide guarantees as security for the debt financing of the Target Company.
Controlling Shareholder Loans:	<p>Wuxi Taihu New City Group shall provide shareholder loans to the Target Company.</p> <p>The maximum principal amount of the Controlling Shareholder Loans shall not exceed RMB3 billion.</p>
Term and maximum principal amount of the Controlling Shareholder Guarantees and the Controlling Shareholder Loans:	During the years 2024-2026, the maximum aggregated principal amount of the Controlling Shareholder Guarantees and the Controlling Shareholder Loans shall not exceed the lower of (i) RMB10 billion; and (ii) ninth times of the amount of the net assets of the Target Company.

Financial Assistance A: In respect of the Controlling Shareholder Guarantees, SY Group shall provide counter guarantees to Wuxi Taihu New City Group in proportion to the aggregated shareholding interest of Sheng Ye Digital and Tianjin Shengzhuo in the Target Company, being 49% as at the date upon the completion of the Capital Increase.

SY Group will not charge any fee on the Target Company in relation to the Financial Assistance A.

Financial Assistance B: In respect of the Controlling Shareholder Loans, SY Group shall provide joint and several guarantees to Wuxi Taihu New City Group.

SY Group will not charge any fee on the Target Company in relation to the Financial Assistance B.

Term of the Financial Assistance: Within three (3) years from the expiry dates of the Controlling Shareholder Guarantees and/or the Controlling Shareholder Loans.

Equity Pledge: Upon the later of the date of the completion of the Capital Increase and the discharge of the pledged equity by Wuxi Tonghui (the previous shareholder of the Target Company) being no later than 28 June 2024, the SY Group shall provide the following pledges in favour of Wuxi Taihu New City to secure the Controlling Shareholder Guarantees and/or the Controlling Shareholder Loans:

- (i) Sheng Ye Digital shall pledge 24.5% equity interest in the Target Company held by it to Wuxi Taihu New City; and
- (ii) Tianjin Shengzhuo shall pledge 24.5% equity interest in the Target Company held by it to Wuxi Taihu New City.

Performance Target: For the years of 2024 to 2026, the cumulative net profits for Target Company shall be not less than RMB374.52 million. If Wuxi Taihu New City Group fails to provide sufficient amount of the Controlling Shareholder Guarantees and the Controlling Shareholder Loans as prescribed in the Collaboration Agreement, the aforesaid Performance Target shall be reduced pro rata, based on the Target Company's actual daily average amount of financing

Share repurchase: Wuxi Taihu New City shall have a right to request Sheng Ye Digital and/or Tianjin Shengzhuo to repurchase all or part of the equity interests of the Target Company originally held by them before the Capital Increase under any of the following circumstances: (i) failure of the Target Company to meet the Performance Target for a consecutive of three years; or (ii) a material change of the business scope of the Target Company without the consent of Wuxi Taihu New City; or (iii) upon the occurrence of any breach of certain warranties by Sheng Ye Digital, Tianjin Shengzhuo or the Guarantors which are not rectified within the prescribed time under the Collaboration Agreement; or (iv) pursuant to the Collaboration Agreement, the occurrence of any event that result in Sheng Ye Digital, Tianjin Shengzhuo or the Guarantors being unable to fulfill the guarantee obligations thereunder.

### **Basis of determination of the Capital Increase**

The amount of capital contribution was arrived based on normal commercial terms arm's length negotiations among the parties with reference to, (i) the appraised value of the entire equity interest of the Target Company as at 31 December 2023, being RMB900 million (i.e. approximately RMB279 million for an increase of 31% shareholding in the Target Company), as per the valuation prepared by Jiangsu Puxin Assets Appraisal Property and Land Valuation Co., Ltd.\* (江蘇普信資產評估房地產土地估價有限公司), a certified PRC public valuer approved and regulated by China Securities Regulatory Commission and Ministry of Finance, based on income approach; and (ii) the reasons as mentioned in the section headed "Reasons for and Benefits for the Collaboration Agreement". The consideration of the Capital Increase at RMB569.4 million contributed by Wuxi Taihu New City represents a premium to the appraised value, therefore favourable to the Company and the Shareholders as a whole.

### **Basis of determination of the Financial Assistance**

The maximum principal amount of the Financial Assistance was determined by the parties based on arm's length negotiation by considering: (i) the anticipated business expansion and growing funding needs of the Target Company subsequent to the increase in its registered capital; (ii) the terms of the previous financial assistance agreements with the previous shareholders; (iii) the credit rating and repayment track record of the Target Company; (iv) the credit rating and endorsement of the state-owned shareholder Wuxi Taihu New City; and (v) the Group will benefit as a shareholder from the Target Company's growing business scale and business income. As at the Latest Practicable Date, approximately RMB3,882.0 million of the Financial Assistance has been utilised by the Target Company, RMB1,731.6 million of which constitutes guarantees as security for banking facilities utilised by the Target Company. The Financial Assistance by the Group is financed by its internal resources and/or external borrowings if the relevant guarantees/counter guarantees were to be enforced.

## Shareholding Structure of the Target Company

The table below sets forth the shareholding structure of the Target Company (i) immediately before the completion of the Capital Increase; and (ii) immediately after the completion of the Capital Increase:

	Immediately before the completion of the Capital Increase			Amount of capital contributions (RMB million)	Immediately after the completion of the Capital Increase		
	Registered capital (RMB million)	Capital reserve (RMB million)	Equity interest (%)		Registered capital (RMB million)	Capital reserve (RMB million)	Equity interest (%)
Sheng Ye Digital	120.0	–	40%	–	120.0	–	24.5%
Tianjin Shengzhuo	120.0	–	40%	–	120.0	–	24.5%
Wuxi Taihu New City	60.0	–	20%	569.4	249.8	379.6	51%
Total	<u>300.0</u>	<u>–</u>	<u>100.0%</u>	<u>569.4</u>	<u>489.8</u>	<u>379.6</u>	<u>100.0%</u>

## REASONS FOR AND BENEFITS FOR THE COLLABORATION AGREEMENT

The Board believes that the entering into of the Collaboration Agreement between SY and Wuxi Taihu New City Group is in line with SY's platformization strategy. Through the strategic cooperation with high-quality local state-owned enterprises, SY will accelerate the construction of an inclusive financial service platform for the regional supply chain, achieve efficient connexion of industrial resources and precise customer acquisition, and focus on meeting the financing needs of micro, small and medium-sized enterprises.

Despite certain impacts could be anticipated upon the completion of the Capital Increase, including but not limited to that the total assets and the interest income of the Target Company would be unconsolidated in the Group's financial statements. However, with the rapid expansion of the business of the Target Company, the Company expects that the relevant impacts will be mitigated and the overall revenue structure of the Group will be further optimized for the following reasons: Firstly, empowered by the Capital Increase and the financial support provided by shareholders, at the end of 2026 the net assets and the business scale of the Target Company could be expected to approach RMB1 billion and RMB10 billion respectively. Referred to the Performance Target set in the Collaboration Agreement, the cumulative net profits of the Target Company during years 2024 to 2026 shall be not less than RMB374.52 million, representing an expected growth of approximately 109% compared to that of the corresponding period from 2021 to 2023. Hence the Group expects to record share of profit from an associate as the non-controlling shareholder of the Target Company. In addition, subsequent to the completion of the Capital Increase, the Target Company will replicate the cooperation model with high-quality local state-owned assets again. Leveraging the business growth opportunities presented by the Target Company, the Group could extend its leading supply chain technology services and inclusive financial solutions to micro, small and medium-sized enterprise customers within the ecosystem. This initiative aims to foster additional growth in platform-based service fees, thereby driving further optimization of revenue structure.



The Capital Increase at a premium underscores the market’s support and recognition of the Group’s platform capabilities, especially from the local government of Wuxi and the state-owned shareholder Wuxi Taihu New City. As Wuxi Taihu New City Group focuses on the business of city construction and infrastructure development, the Board is of the view that the ecosystem of Wuxi Taihu New City Group aligns with our Group’s client base and industrial preference and is conducive for the Group to expand its market presence in the Yangtze River Delta region, which is one of the most developed and vibrant areas in China. Utilizing the platform with the joint ventures including the Target Company, we could continuously deliver platform technology services to partners and carry out echelon construction, and facilitate the constant iteration of the system, and share costs through economies of scale to improve overall efficiency.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms of the Collaboration Agreement are fair and reasonable, and that the Collaboration is on normal commercial terms and in the interests of the Company and its shareholders as a whole. None of the Directors has a material interest in the Collaboration Agreement, nor was required to abstain from voting on the relevant resolutions of the Board approving the Collaboration Agreement.

#### **FINANCIAL INFORMATION OF THE TARGET COMPANY**

Based on the audited financial statements of the Target Company for the financial years ended 31 December 2021, 2022 and 2023 prepared in accordance with the PRC Accounting Standards for Business Enterprises, the net profits before and after taxation for the financial years ended 31 December 2021, 2022 and 2023 are set out below:

	<b>For the year ended 31 December 2023 (audited) <i>RMB million</i></b>	<b>For the year ended 31 December 2022 (audited) <i>RMB million</i></b>	<b>For the year ended 31 December 2021 (audited) <i>RMB million</i></b>
Revenue	299.4	227.5	173.7
Profit before tax	89.3	82.9	66.6
Profit after tax	66.9	62.2	49.9

Based on the audited financial statements of the Target Company prepared in accordance with the PRC Accounting Standards for Business Enterprises, the total assets and net assets of the Target Company as of 31 December 2023 were RMB4,259.4 million and RMB383.7 million, respectively.

## FINANCIAL EFFECTS ON THE COLLABORATION AGREEMENT

Upon completion of the Capital Increase, the Group's equity interest in the Target Company (through Sheng Ye Digital and Tianjin Shengzhuo) will be diluted from 80% to 49%, and the Target Company will no longer be a subsidiary of the Group and will become an associated company of the Group. As such, the Target Company will be equity accounted for in the financial statements of the Group and its financial results will cease to be consolidated into the financial statements of the Group. Therefore, the Capital Increase constitutes a deemed disposal under Rule 14.29 of the Listing Rules.

Based on preliminary assessment, it is estimated that the Group will not expect to record significant gains or losses on the deemed disposal. The actual financial effects on the Collaboration Agreement to be recorded by the Group is subject to the final audit to be performed by the Group's auditors.

The gross proceeds from the Capital Increase will be RMB569.4 million, which is intended to be applied as general working capital of the Target Company.

## INFORMATION OF THE PARTIES

### About Wuxi Taihu New City

Wuxi Taihu New City is a limited company established in the PRC. Wuxi Taihu New City is one of the top ten state-owned enterprise groups in Wuxi City, which is principally engaged in urban infrastructure construction and comprehensive land development, including but not limited to constructions of roads, public space and infrastructures in the Jiangsu Wuxi Economic Development Zone in the PRC. With a registered capital of RMB20.41 billion, Wuxi Taihu New City records a steady credit rating of AAA. As the sole construction and development platform in the Wuxi Economic Development Zone (as known as Taihu New City) and echoes with the "14th Five-Year Plan", Wuxi Taihu New City strategically plans to dive into the selected areas of urban development, urban operations and industrial investment by its capital allocation and industrial development.

It is wholly owned by Wuxi Taihu New City Group Co., Ltd.\* (無錫市太湖新城發展集團有限公司). As of the date of this announcement, Wuxi Taihu New City Group Co., Ltd. was owned as to approximately 62.95% by Stated-owned Assets Administration Committee of Wuxi\* (無錫市人民政府國有資產監督管理委員會), approximately 25.53% by China Life Wuxi Urban Development Investment Enterprise (Limited Partnership)\* 國壽(無錫)城市發展產業投資企業(有限合夥) ("CLWU"), approximately 8.15% by Wuxi Guolian Development Group Co., Ltd.\* (無錫市國聯發展(集團)有限公司) ("WGDG"), and approximately 3.37% by Wuxi Real Estate Development Co., Ltd.\* (無錫市房地產開發集團有限公司) ("WRED"). WGDG and WRED were majority held and controlled by Stated-owned Assets Administration Committee of Wuxi\* (無錫市人民政府國有資產監督管理委員會). The sole general partner of CLWU holding approximately 0.01% of its general partnership interest is Wuxi Guolian Investment Private Equity Fund Management Co., Ltd.\* (無錫國聯產業投資私募基金管理有限公司). The limited partnership interest was held as to approximately 59.41% by China Life Insurance Company Limited, the shares of which are listed on the Stock Exchange (stock code: 2628), and approximately 40.58% by Wuxi Fortune Investment Co. Ltd.\* (無錫豐潤投資有限公司), which is ultimately controlled by a state-owned enterprise. As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the above-mentioned individuals or entities is an Independent Third Party.

### **About Sheng Ye Digital**

Sheng Ye Digital is a limited company established in the PRC and an indirect wholly owned subsidiary of the Company. It is the regional headquarter of the Group in the eastern China.

### **About Tianjin Shengzhuo**

Tianjin Shengzhuo is a limited company established in the PRC and an indirect wholly owned subsidiary of the Company. It is principally engaged in the equity investment aligned with the Group's strategy.

### **About Target Company**

The Target Company is established in the PRC. It is principally engaged in the provision of commercial factoring services.

### **About the Guarantors**

- ***The Company***

The Company is incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code 6069). The Company (together with its subsidiaries) is a leading supply chain technology platform. Through the Dual-Engine development of "industrial technology" and "digital finance", it has built a supply chain technology platform which has given it significant advantages in technological innovation. It also uses big data analysis to break through information barriers, the platform links the asset side and the capital side thereby efficiently addressing the supply chain financing needs of SMEs.

- ***Tianjin Sheng Ye***

Tianjin Sheng Ye is a limited company established in the PRC and an indirect wholly owned subsidiary of the Company. It is principally engaged in the shareholding of the Group's subsidiaries in the PRC.

- ***Sheng Ye Information***

Sheng Ye Information is a limited company established in the PRC and an indirect wholly owned subsidiary of the Company. It is principally engaged in provision of information technology services.

- ***SY Factoring***

SY Factoring is a limited company established in the PRC and an indirect wholly owned subsidiary of the Company. It is principally engaged in the business of provision of commercial factoring services.

## LISTING RULES IMPLICATIONS

As the Capital Increase will result in the reduction of the Group's equity interest in the Target Company (through Sheng Ye Digital and Tianjin Shengzhuo), the Collaboration Agreement constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Capital Increase exceeds 25% but all are less than 75%, the Collaboration Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Wuxi Taihu New City is a substantial shareholder of the Target Company (which is a subsidiary of the Company), and therefore Wuxi Taihu New City is a connected person of the Company at the subsidiary level. As such, the Capital Increase under the Collaboration Agreement also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) Wuxi Taihu New City is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Collaboration Agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the Collaboration Agreement are fair and reasonable, and that the Collaboration Agreement is on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Capital Increase is subject to the announcement requirement but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Upon the completion of the Capital Increase, the Target Company will become an affiliate of the Company. 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 and the Equity Pledge exceed 25%, the Collaboration Agreement will constitute major transactions for the Company upon the completion of the Capital Increase, and will be 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 Collaboration Agreement exceeds 8%, the Collaboration 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 14.44 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 Collaboration 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 Collaboration 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 Collaboration 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 Collaboration Agreement. The Company has received a written approval of the Collaboration 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 Collaboration Agreement.

## GENERAL INFORMATION

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Collaboration 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 30 June 2024.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors of the Company
“Capital Increase”	the capital contribution of RMB569.4 million to the Target Company by Wuxi Taihu New City
“Collaboration Agreement”	the collaboration agreement entered into on 28 February 2024
“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 with stock code: 6069
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB569.4 million payable by Wuxi Taihu New City for the Capital Increase pursuant to the Collaboration Agreement
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantors”	The Company, Tianjin Sheng Ye, Sheng Ye Information, and SY Factoring
“HKD”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	A third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	26 February 2024, 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
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) having a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holders of the Shares
“Sheng Ye Digital”	盛業數字科技(無錫)有限公司 (Sheng Ye Digital Technology (Wuxi) Co., Ltd.*)
“Sheng Ye Information”	盛業信息科技服務(深圳)有限公司 (Sheng Ye Information Technology Service (Shenzhen) Co., Ltd.*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SY Factoring”	盛業商業保理有限公司 (SY Factoring Limited*)
“SY Group”	collectively, the Company, Sheng Ye Information, SY Factoring, Tianjin Shengzhuo and Tianjin Shengye
“Target Company”	無錫國金商業保理有限公司 (Wuxi Guojin Commercial Factoring Co., Ltd.*)
“Tianjin Shengye”	天津盛業(集團)有限公司 (Tianjin Sheng Ye (Group) Co., Ltd.*)
“Tianjin Shengzhuo”	天津盛卓企業管理諮詢有限公司 (Tianjin Shengzhuo Enterprise Management Consulting Co., Ltd.*)

“Wisdom Cosmos”	Wisdom Cosmos Limited 慧普有限公司, 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
“Wuxi Taihu New City”	無錫市太湖新城資產經營管理有限公司 (Wuxi Taihu New City Asset Management Co., Ltd.*)
“Wuxi Taihu New City Group”	collectively, Wuxi Tiahu New City, its associated companies and/or Wuxi Taihu New City Group Co., Ltd.* (無錫市太湖新城發展集團有限公司) (as the case may be)
“Wuxi Tonghui”	Wuxi Tonghui Investment Co., Ltd* (無錫通匯投資有限公司)
“%”	per cent.

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

Hong Kong, 28 February 2024

*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.*