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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

PERFORMANCE HIGHLIGHTS

For the year ended 31 December 2024

- With the continued implementation of the platform-based strategy, the total number of cumulative platform clients exceeded 18,100 as of 31 December 2024, reflecting a year-on-year growth of 18.3% from 15,300 clients as of 31 December 2023. Throughout the year ended 31 December 2024, SMEs clients accounted for over 96% of total clients.
- The total cumulative supply chain assets processed by the Platform to support clients' needs in order acquisition and working capital reached approximately RMB249 billion as of 31 December 2024, representing a 29.0% increase from RMB193 billion as of 31 December 2023.
- As of 31 December 2024, the number of funding partners increased by 24.4% to 163, up from 131 as of 31 December 2023. The total funding facility exceeded RMB36.6 billion, representing a significant increase of approximately 57.8% compared to over RMB23.2 billion as of 31 December 2023.
- Revenue from platform-based technology services for the year ended 31 December 2024 was RMB346.6 million, representing an increase of approximately 103.6%, when compared to RMB170.2 million for the year ended 31 December 2023. The proportion of revenue from our technology services in the Group's total revenue and income from principal activities is approximately 37.7%, representing a significant increase when compared to approximately 17.7% for the year ended 31 December 2023.
- Profit after taxation increased significantly by 36.9%, from RMB285.5 million for the year ended 31 December 2023, to RMB390.9 million for the year ended 31 December 2024.
- The Directors recommend the payment of a dividend of RMB34.7 cents per ordinary share of the Company for the year ended 31 December 2024 (for the year ended 31 December 2023: HK26.9 cents per ordinary share).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

2024 Annual Review

SY Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**SY**”) is a digital intelligence company specializing in “AI + Industrial Supply Chains”. While deeply engaged in infrastructure, pharmaceuticals, and commodities—key national industries, the Group is also actively expanding into e-commerce, robotics, and intelligent computing services, which are strategic emerging industries. Through its self-developed, AI-driven industrial intelligence platform “SY Cloud Platform” (the “**Platform**”), the Group empowers small and medium enterprises (“**SMEs**”) by addressing their order fulfillment and working capital needs for supply chain operations, facilitating their growth and operational efficiency. As the platform-based strategy drives the expansion of platform technology services and with the strong support and complementary resources from both shareholders, the performance of the Company’s joint ventures has further improved, for the year ended 31 December 2024:

- The Group achieved net profit of approximately RMB390.9 million, reflecting a significant year-on-year increase of 36.9%.
- The Group recorded total revenue and income from principal activities of approximately RMB919.4 million, representing a slight year-on-year decline of 4.6%.
- The Group recorded share of results of associates of approximately RMB124.6 million, representing a significant year-on-year increase of 511.8%.

The Group has continuously enhanced its ability to serve the real economy, leveraging industrial ecosystem integration and industrial data linkages while strengthening a dual-engine approach of technology and data. With its “transaction-focused, entity-light” risk control framework and business model, the Group has effectively supports SMEs in accessing working capital and enhancing cost efficiency, and offers enterprise clients a comprehensive suite of sales and supply chain management services, including order and marketing management, intelligent goods inspection, digitalized supply and inventory management, as well as credit term management. As of 31 December, 2024:

- The Platform served over 18,100 clients, with cumulative supply chain assets processed by the Platform to support clients’ needs in order acquisition and working capital turnover reaching approximately RMB249 billion, representing increases of 18.3% and 29.0%, respectively, from 31 December, 2023.
- SMEs clients accounted for over 96%, while customer retention rate exceeded 80% and first-time borrowers made up more than 30%. Through its platform technology services, the Group can help SME clients achieve an annual sales growth of over 60%.
- Infrastructure Sector: Leveraging smart construction solutions and an intelligent procurement platform, the Group enhances supply chain digitalization for major infrastructure enterprises. At the same time, it captures real-time transaction data from SMEs suppliers. Through data analytics and intelligent matching, the Platform helps suppliers streamline bidding processes and access working capital.

- **Pharmaceutical Sector:** The Group has developed a supply chain tracking and management system for leading pharmaceutical distribution companies, enabling precise monitoring and intelligent analysis of drug circulation data and sales trends. This allows distributors to expand their business more effectively and optimize procurement, sales, and inventory management.

In the digital economy era, artificial intelligence (“**AI**”) and big data have become core drivers of technological advancement and economic growth. Through its platform-based and technology-driven strategy, the Group continues to increase Research & Development (“**R&D**”) investments to drive innovation and industry transformation. As of 31 December, 2024:

- Cumulative R&D investment reached over RMB250 million, with R&D personnel accounting for nearly 30%.
- The Group holds 80 national invention patents and software copyrights, covering big data, cloud computing, AI, computing power, and other cutting-edge applications.
- The Group was named in the 2024 “Forbes China Top 50 Influential Fintech Companies” list.

The Platform connects industrial enterprises with financial institutions, utilizing big data analytics, AI-powered risk management, and AI-driven modeling to precisely match high-quality supply chain assets with diversified funding sources. The Platform also provides value-added supply chain services such as marketing and customer acquisition, client data analytics, and inventory management to enterprises within the industrial ecosystem.

- Revenue from platform-based technology services reached approximately RMB346.6 million for the year ended 31 December 2024, marking a year-on-year increase of 103.6%.
- The proportion of technology service revenue for the year ended 31 December 2024 rose from 17.7% for the year ended 31 December 2023 to 37.7%, becoming a key growth driver for the Group.
- The number of funding partners on the Platform as of 31 December 2024 increased to 163, reflecting a year-on-year growth of 24.4%, while the total funding facility exceeded RMB36.6 billion, marking a significant year-on-year increase of approximately 57.8%, reinforcing the Group’s role as a strategic partner for traditional financial institutions in advancing inclusive finance.

Since its establishment in 2013, the Group has maintained profitability for 11 consecutive years, with cumulative net profit exceeding RMB2.3 billion. For the year ended 31 December 2024, the Directors recommended the payment of a dividend of RMB34.7 cents per ordinary share of the Company, with a dividend payout ratio of 90%. The Group has maintained a high dividend policy for seven consecutive years, with total cumulative dividends paid exceeding RMB0.8 billion, and has announced a Dividend Payment Plan to conduct declaration and payment of dividends with payout ratio of no less than 90% for the financial years ending 31 December 2024, 31 December, 2025 and 31 December 2026 (Details of the Dividend Payment Plan are disclosed in the Company’s announcement dated 10 October 2024). To further reward investors with tangible returns, the Company is also considering a special dividend distribution in 2025, subject to market conditions and final Board approval. Any dividend payment shall be conducted in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and Share Buy-backs and other applicable laws and regulations at the relevant time.

BUSINESS OUTLOOK AND PROSPECTS

Expanding into New Industries & Unlocking Growth Drivers

While deepening its presence in key national industries such as infrastructure, pharmaceuticals, and commodities, the Group is actively expanding into strategic emerging sectors, including e-commerce, robotics, and intelligent computing services. These sectors represent a total potential market size exceeding RMB10 trillion, with an estimated customer base of over 10 million enterprises.

In the cross-border e-commerce sector, the Group has rapidly expanded into the new e-commerce landscape through strategic investments in e-commerce supply chain services. The Group has established partnerships with leading cross-border e-commerce platforms in China and Southeast Asia, facilitating the global expansion of Chinese manufacturers and enabling Chinese consumers to access global shopping opportunities. As of 31 December, 2024, the Group has assisted hundreds of e-commerce merchants in securing supply chain working capital solutions totaling billions of RMB, establishing a new growth pillar for the business.

Furthermore, the Group has entered into a strategic collaboration with Xinbada (Guangzhou) Technology Co., Ltd. (“**Xinbada**”) to facilitate the expansion of China’s apparel industry and cross-border e-commerce platforms into global markets. The Group will support Xinbada’s development of flexible intelligent factories in Turkey, Southeast Asia, Morocco, and other regions. Through the strategic collaboration with Xinbada, the Group targets to establish supply chain connections with SHEIN, Temu, Cider, PatPat, and other cross-border e-commerce platforms. This collaboration is expected to unlock a business scale of nearly RMB10 billion.

Additionally, the Group has formed a strategic partnership with the largest e-commerce platform in Southeast Asia, to jointly launch cross-border e-commerce supply chain financial services, providing strong support for Chinese sellers in targeted marketing across overseas markets. The collaboration is projected to reach millions of potential Chinese sellers, unlocking a business scale in the hundreds of billions of RMB.

In the sector of robotics and semiconductors, the Group has established partnerships with leading venture capital firms, expanding its “funds + industry + finance” ecosystem and advancing the “equity investment + supply chain finance” model. The Group has engaged in discussions with leading humanoid robot companies to explore industrial ecosystem collaboration, to promote mass production and enhance sales through supply chain finance, thereby creating a full-cycle value chain of “industrial investment – ecosystem service empowerment”. This will continuously release industrial synergy effects and contribute significantly to technological innovation and industrial upgrading through financial technology.

Embracing AI & Driving Digital Transformation

In the digital economy era, AI and big data have become core drivers of technological advancement and economic growth. The Group is continuously increasing R&D investments, focusing on data, models, and computing power to empower SMEs and fulfill its mission of “Making Supply Chains More Efficient and Finance More Inclusive.”

AI Foundation Model Integration

- The SY Cloud Platform has fully integrated with the domestic open-source DeepSeek AI foundation model.
- The Group is also exploring the potential of leading AI models, including ChatGPT, Llama, Qwen, Doubao, and Zhipu AI, for industrial supply chain applications.
- By leveraging high-quality industry-grade training data, the Group is continuously enhancing AI models' industry-specific intelligence.
- The Group is actively exploring AI-driven solutions in supplier management, supply chain automation, and inventory decision support, empowering digital and intelligent supply chain transformation.

Computing Power Expansion

- The Group has secured computing power support from Wuxi Economic Development Zone (“**Wuxi EDZ**”), which hosts the Xuelang Computing Center, NVIDIA AI Computing Center, and Sugon Advanced Computing Center, with over 1,000P of AI computing power.
- The Group has signed a strategic cooperation framework agreement with Wuxi EDZ to establish its East China headquarters, fostering a digital industrial ecosystem. In the future, the Group will collaborate with Internet Data Center (“**IDC**”) service providers to explore opportunities for providing intelligent computing services through cloud services.

Driven by ample computing power, the Group will leverage the data analysis and processing capabilities of AI large models. By building an enterprise AI knowledge base, optimizing intelligent asset and funding matching algorithms, and strengthening big data intelligent risk control models, it is expected that by 2025, operational efficiency will improve by at least 50%, and the per capita service asset scale will be significantly enhanced, providing strong support for improving the Group's profit margins. The Group will focus on the industrial data and customer resources accumulated over the past decade, developing industry AI agents and deeply integrating them into the digital ecosystem service system at the industry level. This will help SMEs achieve more precise market analysis, smarter order acquisition, more efficient supply chain management, and more scientific cost management, thereby enhancing the scale of Group's platform technology service business.

FINANCIAL REVIEW

Financial Summary

	Year ended 31 December		Year-on-year
	2024	2023	
	RMB'000	RMB'000	
Revenue and income from principal activities	919,366	963,518	(4.6%)
– Revenue from platform-based technology services	346,571	170,234	103.6%
– Income from digital financing solutions	521,884	722,811	(27.8%)
– Gain on refinancing of supply chain assets upon derecognition	50,911	70,473	(27.8%)
Finance costs	359,076	408,797	(12.2%)
Share of results of associates	124,565	20,360	511.8%
Net Profit	390,867	285,545	36.9%
Earnings per share (RMB cents)	39	27	44.4%

Revenue and income from principal activities

The Group's total revenue and income from principal activities slightly decreased by 4.6% year-on-year to RMB919.4 million for the year ended 31 December 2024, compared to RMB963.5 million for the previous year, mainly due to the impact of the deemed disposal of Wuxi Guojin Commercial Factoring Co., Ltd. ("WXGJ") in February 2024 and partially offset by the significant growth in the business scale of platform-based technology services driven by the platformisation strategy.

Platform-based technology services

The Group's platform technology services, powered by the SY Cloud Platform, connect the industrial ecosystem with financial institutions. By leveraging advanced technology-driven models, this Platform provides comprehensive sales and supply chain management solutions to enterprise clients, effectively addressing their order acquisition and working capital needs. Revenue from platform-based technology services significantly increased by 103.6% year-on-year to approximately RMB346.6 million for the year ended 31 December 2024, compared to approximately RMB170.2 million for the preceding year, mainly due to the strengthening of platform ecosystem connectivity and technological capabilities, the Group has continuously enhanced customer acquisition efficiency and risk control, which has enabled more SMEs to access supply chain working capital solutions through the Platform's network of external funding partners.

Additionally, the Group continues to expand its differentiated services, offering value-added supply chain technology solutions to ecosystem clients. These services include order and marketing management, intelligent goods inspection, and end-to-end digitalization of procurement, sales, and inventory management.

Digital financing solutions

The Group's digital financial solutions primarily facilitate supply chain working capital support for SMEs client by its internal funding and credit enhancement entities through intelligent matching on the SY Cloud Platform. Revenue from digital financing solutions decreased by 27.8% year-on-year to RMB521.9 million for the year ended 31 December 2024, compared to RMB722.8 million for the last year, mainly due to the deemed disposal of WXGJ in February 2024. The Group has further deepened its asset-light strategy and enhanced its platform capabilities. Consequently a greater proportion of SMEs supply chain working capital needs are now being met through external funding partners connected the Platform.

Gain on refinancing of supply chain assets upon derecognition

For supply chain assets held by the Group, the Platform may facilitate refinancing by introducing funding partners, thereby maximizing the value of our supply chain assets and enhancing the Company's cash flow management. Gain from this business segment is equal to the excess amount received or receivable from refinancing transactions over the carrying amount of the supply chain assets, as the Group does not bear the associated risks of these assets after such refinancing arrangements. The gain on refinancing of supply chain assets upon derecognition decreased by 27.8% year-on-year to RMB50.9 million for the year ended 31 December 2024, compared to RMB70.5 million for the preceding year.

Other gains and losses

The Group booked other gains of RMB72.9 million in the year of 2024, an increase of 208.4% year-on-year, compared to RMB23.6 million for the preceding year. The increase is mainly due to (i) the increase in remeasurement gain of previously held equity interest in an associate upon step acquisition of a subsidiary; (ii) the increase in fair value gain of other financial assets at FVTPL; (iii) the increase in gains from disposal of subsidiaries; and (iv) the decrease in fair value loss of other financial liabilities at FVTPL.

Share of results of associates

The growth of the Group's major associate companies continues to thrive due to the strong support and resource synergy provided by joint venture partners. On one hand, these associate companies utilize the Group's industrial ecosystem connections, big data analytics, AI-driven enhancements, and comprehensive system support to improve customer acquisition efficiency and strengthen risk management capabilities. This has led to significant increases in both business scale and revenue while effectively mitigating risks. On the other hand, the credit backing from their controlling shareholders has further reduced funding costs, resulting in a substantial rise in net profits for these associate companies. The development of these associate companies is a crucial part of the Group's platform-based strategy, facilitating business expansion and revenue growth through resource integration. The share of results of associates surged 511.8% year-on-year, rising from RMB20.4 million for the year ended 31 December 2023 to RMB124.6 million for the year ended 31 December 2024.

Expenses

The following table sets forth the comparative figures of the principal components of the operational expenses for the year ended 31 December 2024 and 2023.

	Year ended 31 December		Year-on-year
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
Staff costs	187,608	177,768	5.5%
Depreciation and amortisation	32,195	31,511	2.2%
Other costs and operating expenses (excluding materials cost)	55,531	62,472	(11.1%)
Total	275,334	271,751	1.3%

The Group's total operational expenses increased by 1.3% year-on-year to RMB275.3 million for the year ended 31 December 2024, compared to RMB271.8 million for the year ended 31 December 2023, mainly due to the increase in staff costs of RMB9.8 million.

The operational cost-to-income ratio for the year of 2024 was 29.9% when compared with 28.1% in 2023, excluding material costs and one-time expenses.

Net profit

Net profit in the year of 2024 was RMB390.9 million, an increase of RMB105.4 million or 36.9% year-on-year, compared to RMB285.5 million for the year ended 31 December 2023.

Adjusted net profit

Adjusted net profit increased by 17.7% year-on-year to RMB343.3 million for the year ended 31 December 2024, compared to RMB291.6 million for the year ended 31 December 2023.

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 year, as adjusted by excluding remeasurement gain of previously held equity interest in an associate upon step acquisition of a subsidiary, gain on disposal of subsidiaries and 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.

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

Supply chain assets at FVTOCI as of 31 December 2024 were RMB4,891.3 million, a 36.2% decrease year-on-year. Daily average balance of self-funded supply chain assets over the year of 2024 was RMB5,778.9 million, a 27.2% decrease over the year of 2023, mainly due to the deemed disposal of WXGJ in February 2024 and deepened asset-light strategy. Based on the daily average balance of self-funded supply chain assets, interest yield on supply chain assets in the year of 2024 was 8.4%, which was 0.4 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 31 December 2024, 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 RMB217.1 million were secured by certain commercial acceptance bills received from customers, while as of 31 December 2023, the supply chain assets of RMB160.5 million were secured by certain commercial acceptance bills received from customers and the supply chain assets of RMB16.6 million were secured by deposit from customers. These bills can be applied and used to settle any outstanding receivables of supply chain assets for the corresponding contract if default occurs.

As at 31 December 2024, there were a total of 5,125 (31 December 2023: 3,187) outstanding supply chain assets obtained by the Group, out of which 173 (31 December 2023: 137) supply chain assets are referred to as sizeable loans with principal amount exceeds RMB10 million, 343 (31 December 2023: 744) supply chain assets with principal amount between RMB1 million and RMB10 million, 4,609 (31 December 2023: 2,306) supply chain assets with principal amount less than RMB1 million.

As at 31 December 2024, no supply chain assets (31 December 2023: RMB397.4 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 7 days to 25 months (31 December 2023: 1 to 24 months) and the effective interest rates ranging mainly from 5.00% to 15.50% (31 December 2023: 4.90% to 14.00%) per annum.

Supply chain assets at FVTOCI with ageing analysis presented below per maturity dates:

	As at	
	31 December 2024 <i>RMB'000</i>	31 December 2023 <i>RMB'000</i>
Within six months	3,311,862	5,087,444
Within a period of more than six months but not exceeding one year	1,577,396	2,449,011
Within a period of more than one year but not exceeding two years	2,049	126,889
	<u>4,891,307</u>	<u>7,663,344</u>

Movements in impairment loss allowance on supply chain assets

The Group's impairment loss allowance on supply chain assets decreased by 32.7% year-on-year to RMB57.4 million as at 31 December 2024, compared to RMB85.3 million as at 31 December 2023, mainly attributable to the decrease in gross balance of supply chain assets as at 31 December 2024 and the improvement on the quality of supply chain assets. No impairment loss allowance were written off for the year ended 31 December 2024 (for the year ended 31 December 2023: Nil).

Borrowings and finance cost

Borrowings, including loans from related parties, as of 31 December 2024 was RMB5,136.1 million, a 28.5% decrease year-on-year. Daily average balance of borrowings over the year of 2024 were RMB5,917.4 million, a 9.1% decrease year-on-year. The decrease in finance costs of RMB49.7 million year-on-year was mainly due to the decrease in the daily average balance of borrowings and the decrease in average borrowings interest rate from 6.3% over the year of 2023 to 6.1% over the year of 2024.

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 of PRC subsidiaries 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 both years ended 31 December 2024 and 2023. The increase in effective tax rate from 23.0% for the year ended 31 December 2023 to 24.9% for the year ended 31 December 2024 was mainly attributable to the increase in profit before taxation in subsidiaries with applicable tax rate of 25% and the increase in withholding tax on the undistributed earnings of PRC subsidiaries.

For the year ended 31 December 2024, income tax expenses amounted to approximately RMB129.3 million (for the year ended 31 December 2023: RMB85.1 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.

Leveraging years of accumulated industry experience, the Group conducts cross-verification of transaction data through multi-dimensional data to validate and confirm the authenticity and reasonableness of transactions made by SME customers. By performing comprehensive assessments on SME customers, including defining customer profiles, profiling core enterprises within the supply chain, and evaluating the transaction status corresponding to accounts receivable, the Group supports SME customers and provides them with prudent and tailored digital financial solutions while mitigating fraud risks.

Credit Approval

With the aid of industry risk assessment models, the Group adopts a dual approval mechanism for core enterprise admission evaluation and transaction-level evaluation in its digital financial solutions business to manage the risk exposure of individual accounts receivable financing and the Group's overall business operations.

- ***Core Enterprise Admission Evaluation***

Core enterprises serve as key entities in the operation of production and research supply chains, holding critical resources and data within the supply chain. Strategically, the Group focuses on selected key industries and core enterprises to develop and refine its industry risk assessment models. Based on this, the Group conducts admission evaluations for core enterprises within selected key industries, comprehensively considering their financial conditions, payment capabilities, operational records, and future development. Furthermore, the Group implements concentration control to manage the upper limit of business scale for individual core enterprises.

- ***Transaction-Level Evaluation***

Once a core enterprise within a specific industry is admitted by the Group, customers within the ecosystem of that core enterprise can apply for supply chain financing under the digital financial solutions based on their accounts receivable from the core enterprise. For each accounts receivable financing application, the Group conducts a transaction-level evaluation and determines the financing limit, taking into account factors including but not limited to: (i) The amount of accounts receivable held by the customer, which must have sufficient value (i.e., equal to or greater than the financing amount applied for) to serve as a credit enhancement measure for the specific application under the digital financial solutions; and (ii) The real-time transaction profile of the underlying transactions for the accounts receivable maintained by the Group.

The transaction-level evaluation is empowered by the Group's data-driven supply chain technology platform, "SY Cloud platform." This Platform connects industry ecosystem data and integrates multiple technologies, including Artificial Intelligence ("AI"), electronic signatures, Optical Character Recognition ("OCR"), Natural Language Processing ("NLP"), big data analytics, video verification, and facial recognition. Through multi-dimensional and multi-source data, it verifies the authenticity and reasonableness of transactions.

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 its 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 our 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.

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING

During the year ended 31 December 2024, the Group's main source of funds was the cash generated from its daily operations and proceeds from new borrowings. As at 31 December 2024, the Group had cash and cash equivalents of RMB515.6 million (31 December 2023: RMB658.2 million), of which 89.5% and 8.6% were denominated in RMB and HKD respectively. Net cash from operating activities was RMB2,759.6 million in 2024 (for the year ended 31 December 2023: RMB1,681.9 million), an increase of RMB1,077.7 million year-on-year was mainly due to the change from net cash used in supply chain assets at FVTOCI of RMB1,137.7 million for the year ended 31 December 2023 to net cash from supply chain assets at FVTOCI of RMB2,160.6 million for the year ended 31 December 2024.

As at 31 December 2024, the Group had interest-bearing borrowings and loans from related parties which amounted to RMB5,136.1 million (31 December 2023: RMB7,182.9 million). Its gearing ratio, expressed as total liabilities over total equity was 1.58 as at 31 December 2024 (at 31 December 2023: 1.91).

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of RMB34.7 cents per ordinary share of the Company for the year ended 31 December 2024 (for the year ended 31 December 2023: HK26.9 cents per ordinary share). As of the date of this announcement, the Company holds 521,000 treasury shares, which will not be eligible for dividends or distributions.

EXPECTED DATE OF DIVIDEND PAYMENT

The Board recommend that the proposed final dividend be paid on Friday, 20 June 2025 to those shareholders whose names appear on the Company's register of members on Thursday, 22 May 2025, subject to approval by the shareholders of the Company at the forthcoming annual general meeting to be held in May 2025.

CLOSURE OF REGISTER OF MEMBERS

To ascertain shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed on Thursday, 22 May 2025, and no transfer of shares will be effected on that day. In order to qualify for the proposed final dividend, shareholders of the Company should ensure that all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Wednesday, 21 May 2025. The ex-dividend date for the proposed final dividend will be on Tuesday, 20 May 2025.

The Company will further announce the dates of closure of register of members of the Company for the purpose of determining the entitlement to attend and vote at the forthcoming annual general meeting as and when appropriate in accordance with the requirements of the Listing Rules.

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 HK\$8.80 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 HK\$8.80 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 HK\$550.8 million (equivalent to approximately RMB456.2 million).

The placing price of HK\$8.80 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 Placements

During the year ended 31 December 2021, 2022, 2023 and 2024, details of the use of proceeds of the placement were as follows:

Use of proceeds	Net proceeds raised <i>(Approximately HK\$ million)</i>	Actual use of net proceeds during the year ended 31 December 2021 <i>(Approximately HK\$ million)</i>	Actual use of net proceeds during the year ended 31 December 2022 <i>(Approximately HK\$ million)</i>	Actual use of net proceeds during the year ended 31 December 2023 <i>(Approximately HK\$ million)</i>	Actual use of net proceeds during the year ended 31 December 2024 <i>(Approximately 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	20.7	41.4	The remaining unutilised amount of approximately HK\$67.6 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.

The Company has been actively expanding its supply chain technology service business, mainly focusing on developing supply chain technology services in the infrastructure and pharmaceutical industries to create business synergies. Since (i) the Company needs more time to conduct business research and evaluate its business needs and the risks involved in order to identify potential projects and promote implementation; and (ii) secure better business returns and strive for a more advantageous market position of the Company, it is expected that the remaining unutilised net proceeds allocated to expansion and development of the Group's supply chain technology services segment of approximately HK\$67.6 million is expected to be fully utilized by 31 December 2025.

The Directors considers that the delay in the use of the unutilised net proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

The expected timeline of full utilisation of the unutilised net proceeds is based on the Directors' best estimation barring any unforeseen circumstances, and may be subject to change based on the market conditions. Should there be any material change or delay in the use of proceeds, further announcement(s) will be made by the Company as and when appropriate.

CAPITAL COMMITMENTS

As at 31 December 2024, the capital commitments of the Group comprised purchase of property and equipment of approximately RMB236.9 million and investment in an associate of approximately RMB0.2 million (31 December 2023: purchase of property and equipment of approximately RMB352.0 million and investment in an associate of approximately RMB0.2 million).

CONTINGENT LIABILITIES

Save as disclosed in note 22 of the "Notes to the consolidated financial statements", the Group did not have any other guarantees or other material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2024, the Group had pledged bank deposits of RMB1,401.4 million, wealth management products of RMB14.2 million, equity tranche of RMB100.3 million, investment property with carrying amount of RMB30.2 million, leasehold land with carrying amount of RMB80.4 million, and certain supply chain assets with an aggregate carrying amount of RMB3,067.1 million to banks, associates and third parties for facilities, loan facilitation platform in partnership with banks and derivative financial instruments (31 December 2023: pledged bank deposits of RMB866.5 million, wealth management products of RMB102.7 million, equity tranche of RMB63.0 million, investment property with carrying amount of RMB31.1 million, and certain supply chain assets with an aggregate carrying amount of RMB3,208.8 million to banks, associates and third parties for facilities, loan facilitation platform in partnership with banks and derivative financial instruments).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

On 28 February 2024, the Company entered into a collaboration agreement with 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**”), WXGJ and other subsidiaries of the Company (the “**Collaboration Agreement**”), pursuant to which, among others, Wuxi Taihu New City subscribed RMB569.4 million of the capital increase in WXGJ, and the parties agreed to provide financial assistance and guarantees pursuant to the terms of the Collaboration Agreement. The Group’s total indirect equity interest in WXGJ had been diluted from 80% to 49% and WXGJ ceased to become a subsidiary of the Group. Details of the capital increase and terms of the Collaboration Agreement are disclosed in the Company’s announcements dated 28 February 2024 and 20 March 2024 and the Company’s circular dated 24 April 2024.

In March 2024, the Group de-registered 霍爾果斯永卓商業保理有限公司 (Khorghos Yong Zhuo Factoring Limited*).

On 9 July 2024, a direct wholly-owned subsidiary of the Company (“**Purchaser**”), the Company and Future Gold Enterprises Limited (“**Vendor**”) entered into an acquisition agreement (“**Acquisition Agreement**”), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Sale Share, representing all the issued shares of the Great Style Holdings Limited (“**Target Company**”), at a closing consideration of RMB300 million. Subject to the satisfaction of the performance targets of the Target Company in 2024 and 2025, the Purchaser has agreed to pay an additional contingent consideration of up to RMB500 million in aggregate. Pursuant to the terms and subject to the conditions of the Acquisition Agreement, the Company and the Purchaser shall have the right to unilaterally decide that part of contingent consideration be settled by allotment and issue and/or transfer out of treasury shares to the Vendor. Details of the terms of the Acquisition Agreement are disclosed in the Company’s announcements dated 9 July 2024.

Save as disclosed above, the Group has no material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 31 December 2024 and up to the date this announcement, the Group did not make any significant investments.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As a digital intelligence company specializing in “AI + Industrial Supply Chains”, 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 technology and financial services. Looking ahead, the Group will continue expanding its industrial investment portfolio, engaging with high-potential enterprises with strong technological barriers and commercialization prospects. The Group aims to establish a full-cycle value chain integrating industrial investment and ecosystem service empowerment, seizing opportunities in new productivity sectors and unlocking new business growth drivers.

At the same time, the Group will increase R&D investments, focusing on key areas such as data, AI models, and computing power, to accelerate the digital and intelligent transformation of industries. By leveraging technology, SY Holdings will empower and support SMEs in their growth, further advancing industrial digitalization and intelligence-driven development.

FOREIGN EXCHANGE RISKS

The Group's exposure to foreign currency risk related primarily to cash and cash equivalents, pledged bank deposits, other receivables, equity instruments at FVTOCI, 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 year 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 31 December 2024, the Group had a total of 363 staff (31 December 2023: 358 staff). Total staff costs (including Directors' emoluments) were approximately RMB214.6 million (including share option benefits RMB5.6 million and RSU benefits RMB1.3 million) for the year ended 31 December 2024 (for the year ended 31 December 2023: RMB202.0 million, including share option benefits RMB4.0 million and RSU benefits RMB1.6 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 scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group, who contribute to the success of the Group's operations, 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, the Group participates in the 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 its employees are each required to make contributions to the fund at the applicable rates of the eligible employees’ salaries.

RECENT DEVELOPMENT OF REGULATORY FRAMEWORK

There was no significant change of the regulatory framework which would have material adverse impact on the Group’s business and operations during the year ended 31 December 2024.

The Directors confirmed that the Group will be able to comply with the applicable laws.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2024, the Company repurchased 1,638,500 shares on the Stock Exchange for an aggregated consideration of approximately HKD7.1 million before expenses. The repurchased shares were subsequently cancelled except that a total of 521,000 ordinary shares repurchased in 2024 have not been cancelled are held by the Company as treasury shares as at the date of this announcement. 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:

Month of purchase in the year ended 31 December 2024	No. of shares purchased	Purchase consideration per share		Aggregated consideration paid HKD
		Highest price paid HKD	Lowest price paid HKD	
January	429,000	4.42	4.13	1,826,105
February	64,500	4.47	4.40	285,075
March	–	–	–	–
April	500,000	4.30	4.10	2,095,025
May	124,000	4.41	4.24	533,955
June	444,500	4.55	4.26	1,999,415
July	76,500	4.79	4.76	364,885
August	–	–	–	–
September	–	–	–	–
October	–	–	–	–
November	–	–	–	–
December	–	–	–	–
TOTAL	1,638,500			7,104,460

Save as above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale or transfer of treasury shares) during the year ended 31 December 2024.

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

For the year ended 31 December 2024, 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 provisions set out in Appendix C3 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 by directors adopted by the Company during the year ended 31 December 2024.

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 year of 2024.

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 year ended 31 December 2024 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 C1 to the Listing Rules and the associated Listing Rules (collectively, the "CG Code").

The shares of the Company were successfully listed on GEM on 6 July 2017 (the "Listing Date") and 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 year from the Listing Date to 31 December 2024.

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

Continuing disclosure under rule 13.22 of the Listing Rules

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of those affiliated companies with financial assistance given by the Group and guarantee given by the Group for facilities granted to them, and the Group's attributable interests in those affiliated companies as at 31 December 2024, are presented as follows:

	Combined statement of financial position <i>(RMB'000)</i>	The Group's attributable interests <i>(RMB'000)</i>
Non-current assets	85,846	36,323
Current assets	19,675,257	8,287,098
Current liabilities	<u>(15,883,238)</u>	<u>(6,684,916)</u>
Total assets less current liabilities	3,877,865	1,638,505
Non-current liabilities	(984,239)	(400,334)
Net assets	<u><u>2,893,626</u></u>	<u><u>1,238,171</u></u>

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and regrouping into significant classification in the statement of financial position, as at 31 December 2024.

AUDIT COMMITTEE

The Company established an 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.3.3 of the CG Code as set out in Appendix C1 of 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 financial statements and oversee the internal control and risk management procedures and systems of the Group. The Audit Committee currently consists of three members, namely Mr. Tang King San Terence, Mr. Lo Wai Hung and Mr. Fong Heng Boo. The chairman of the Audit Committee is Mr. Tang King San Terence. Mr. Tang King San Terence and Mr. Fong Heng Boo are the Independent Non-executive directors of the Company.

The Group's audited consolidated financial statements for the year ended 31 December 2024 and annual results announcement for the year ended 31 December 2024 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.

ANNUAL RESULTS

The board of Directors of the Company (the "**Board**") announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

		2024	2023
	NOTES	RMB'000	RMB'000
Revenue from platform-based technology services	5	346,571	170,234
Income from digital financing solutions	5	521,884	722,811
Gain on refinancing of supply chain assets upon derecognition	5	<u>50,911</u>	<u>70,473</u>
Revenue and income from principal activities		<u>919,366</u>	<u>963,518</u>
Other income	6	56,851	60,707
Other gains and losses	7	72,861	23,627
Staff costs	11	(187,608)	(177,768)
Depreciation and amortisation	11	(32,195)	(31,511)
Other costs and operating expenses	11	(56,170)	(83,597)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	8	(17,753)	7,143
Finance costs	9	(359,076)	(408,797)
Donation		(721)	(3,039)
Share of results of associates		<u>124,565</u>	<u>20,360</u>
Profit before taxation		520,120	370,643
Taxation	10	<u>(129,253)</u>	<u>(85,098)</u>
Profit for the year	11	<u>390,867</u>	<u>285,545</u>
Attributable to:			
– Owners of the Company		380,180	268,246
– Non-controlling interests		<u>10,687</u>	<u>17,299</u>
		<u>390,867</u>	<u>285,545</u>
Earnings per share	13		
– Basic (RMB cents)		39	27
– Diluted (RMB cents)		<u>39</u>	<u>27</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	<i>NOTE</i>	2024 RMB'000	2023 <i>RMB'000</i>
Profit for the year	<i>11</i>	<u>390,867</u>	<u>285,545</u>
Other comprehensive income (expense) (“OCI”):			
<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”)		<u>913</u>	<u>7,769</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		34	(96)
Fair value (loss) gain, net of ECL and reclassification of FVTOCI reserves upon derecognition on:			
– supply chain assets at FVTOCI		(8,253)	3,945
Income tax relating to items that may be reclassified subsequently		2,063	(981)
Share of other comprehensive expense of associates, net of related income tax		128	(240)
Reclassification of FVTOCI reserve upon disposal of subsidiaries, net of related income tax		3,145	–
Reclassification of FVTOCI reserve upon acquisition of subsidiaries, net of related income tax		<u>(25)</u>	<u>–</u>
		<u>(2,908)</u>	<u>2,628</u>
Other comprehensive (expense) income for the year, net of income tax		<u>(1,995)</u>	<u>10,397</u>
Total comprehensive income for the year		<u>388,872</u>	<u>295,942</u>
Attributable to:			
– Owners of the Company		382,627	277,831
– Non-controlling interests		<u>6,245</u>	<u>18,111</u>
		<u>388,872</u>	<u>295,942</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	31/12/2024 RMB'000	31/12/2023 RMB'000
NON-CURRENT ASSETS			
Property and equipment		159,452	68,264
Right-of-use assets		91,733	102,973
Investment property		30,170	31,053
Goodwill		464,965	316,028
Intangible assets		263,042	168,611
Investments in associates	14	1,504,285	582,968
Deferred tax assets		4,587	18,163
Other financial assets at fair value through profit or loss (“FVTPL”)	15	470,450	414,041
Supply chain assets at FVTOCI	16	2,049	126,889
Equity instruments at FVTOCI	18	62,711	61,498
Loans to an associate		–	280,000
Trade and bill receivables		13,823	23,429
Other receivables, prepayments and others		18,534	8,315
		<u>3,085,801</u>	<u>2,202,232</u>
CURRENT ASSETS			
Derivative financial instruments		14,189	14,063
Other financial assets at FVTPL	15	339,760	202,036
Supply chain assets at FVTOCI	16	4,889,258	7,536,455
Debt instrument at amortised cost	17	–	18,968
Loans to an associate		198,201	89,727
Receivables from refinancing of supply chain assets upon derecognition		4,128	–
Receivables from guarantee customers		6,084	6,412
Trade and bill receivables		37,760	46,509
Other receivables, prepayments and others		106,337	49,119
Contract costs		385	557
Time deposits	19	–	128,830
Pledged bank deposits	19	1,401,405	866,450
Cash and cash equivalents	19	515,614	658,210
		<u>7,513,121</u>	<u>9,617,336</u>

		31/12/2024	31/12/2023
	NOTES	RMB'000	RMB'000
CURRENT LIABILITIES			
Loans from related parties		2,236,530	960,654
Trade and other payables	20	465,813	294,752
Derivative financial instruments		5,529	9,579
Contract liabilities	21	73,326	58,995
Income tax payable		40,532	31,791
Liabilities arising from guarantee contracts	22	59,981	31,078
Borrowings	23	2,716,219	4,673,232
Other financial liabilities at FVTPL	24	273,336	61,208
Lease liabilities		10,208	9,799
		<u>5,881,474</u>	<u>6,131,088</u>
NET CURRENT ASSETS		<u>1,631,647</u>	<u>3,486,248</u>
NON-CURRENT LIABILITIES			
Liabilities arising from guarantee contracts	22	4,133	1,316
Borrowings	23	183,301	1,546,754
Other financial liabilities at FVTPL	24	295,465	–
Loans from related parties		–	2,299
Lease liabilities		531	10,170
Deferred tax liabilities		119,636	64,654
		<u>603,066</u>	<u>1,625,193</u>
NET ASSETS		<u>4,114,382</u>	<u>4,063,287</u>
CAPITAL AND RESERVES			
Share capital	25	8,547	8,559
Reserves		4,062,046	3,918,007
Equity attributable to owners of the Company		4,070,593	3,926,566
Non-controlling interests		43,789	136,721
TOTAL EQUITY		<u>4,114,382</u>	<u>4,063,287</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company												
	Share capital	Treasury stock	Share premium	Share held for restricted share unit scheme ("RSU Scheme")	Capital reserves	FVTOCI reserves/ revaluation reserves	Translation reserve	Share-based payments reserve	Statutory reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	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 year	-	-	-	-	-	-	-	-	-	268,246	268,246	17,299	285,545
Other comprehensive income (expense) for the year	-	-	-	-	-	9,681	(96)	-	-	-	9,585	812	10,397
Total comprehensive income (expense) for the year	-	-	-	-	-	9,681	(96)	-	-	268,246	277,831	18,111	295,942
Purchase of shares under RSU Scheme	-	-	-	(20,133)	-	-	-	-	-	-	(20,133)	-	(20,133)
Repurchase of shares	-	(96,085)	-	-	-	-	-	-	-	-	(96,085)	-	(96,085)
Cancellation of treasury stock	(158)	95,076	(94,918)	-	-	-	-	-	-	-	-	-	-
Transfer to PRC statutory reserves	-	-	-	-	-	-	-	-	104,971	(104,971)	-	-	-
Acquisition of additional interest in a subsidiary of the Company	-	-	-	-	(89,231)	-	-	-	-	-	(89,231)	(38,566)	(127,797)
Disposal of partial interests in subsidiaries without losing control	-	-	-	-	275	-	-	-	-	-	275	23,725	24,000
Deregistration of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(42,612)	(42,612)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(31,434)	(31,434)
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	5,578	-	-	5,578	-	5,578
Dividends recognised as distribution (note 12)	-	-	(67,861)	-	-	-	-	-	-	-	(67,861)	-	(67,861)
Lapse of share options	-	-	-	-	-	-	-	(7,095)	-	7,095	-	-	-
At 31 December 2023	8,559	(1,009)	2,109,563	(59,444)	(87,181)	24,745	(233)	24,416	321,086	1,586,064	3,926,566	136,721	4,063,287

Attributable to owners of the Company

	Attributable to owners of the Company												
	Share capital	Treasury stock	Share premium	Share held for RSU Scheme	Capital reserves	FVTOCI reserves/ revaluation reserves	Translation reserve	Share-based payments reserve	Statutory reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	8,559	(1,009)	2,109,563	(59,444)	(87,181)	24,745	(233)	24,416	321,086	1,586,064	3,926,566	136,721	4,063,287
Profit for the year	-	-	-	-	-	-	-	-	-	380,180	380,180	10,687	390,867
Other comprehensive income (expense) for the year	-	-	-	-	-	2,413	34	-	-	-	2,447	(4,442)	(1,995)
Total comprehensive income (expense) for the year	-	-	-	-	-	2,413	34	-	-	380,180	382,627	6,245	388,872
Purchase of shares under RSU Scheme	-	-	-	(2,188)	-	-	-	-	-	-	(2,188)	-	(2,188)
Repurchase of shares	-	(6,457)	-	-	-	-	-	-	-	-	(6,457)	-	(6,457)
Cancellation of treasury stock	(12)	5,315	(5,303)	-	-	-	-	-	-	-	-	-	-
Transfer to PRC statutory reserves	-	-	-	-	-	-	-	-	72,887	(72,887)	-	-	-
Disposal of partial interests in subsidiaries without losing control	-	-	-	-	1,868	-	-	-	-	-	1,868	3,574	5,442
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(101,191)	(101,191)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,560)	(1,560)
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	6,920	-	-	6,920	-	6,920
Dividends recognised as distribution (note 12)	-	-	(239,333)	-	-	-	-	-	-	-	(239,333)	-	(239,333)
Exercise of RSU	-	-	274	2,478	-	-	-	(2,162)	-	-	590	-	590
Lapse of share options and RSU	-	-	-	-	-	-	-	(1,918)	-	1,918	-	-	-
At 31 December 2024	8,547	(2,151)	1,865,201	(59,154)	(85,313)	27,158	(199)	27,256	393,973	1,895,275	4,070,593	43,789	4,114,382

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES		
Profit for the year	390,867	285,545
Adjustment for:		
Taxation	129,253	85,098
Finance costs	359,076	408,797
Interest income	(29,630)	(27,579)
Dividends from equity investments	(16)	–
Share of results of associates	(124,565)	(20,360)
Depreciation of property and equipment	1,637	2,819
Depreciation of right-of-use assets	10,257	13,710
Depreciation of investment property	883	883
Amortisation of intangible assets	19,418	14,099
Impairment losses under ECL model, net of reversal	17,753	(7,143)
Equity-settled share-based payments expense	6,920	5,578
(Gain) loss on disposal of equipment	(56)	375
Gain from modification of lease contracts	(25)	(6)
(Gain) loss from changes in fair value of		
– derivative financial instruments	(12,414)	(15,965)
– other financial assets at FVTPL	(29,097)	(11,026)
– other financial liabilities at FVTPL	9,269	12,950
(Gain) loss on disposal of subsidiaries	(5,177)	475
Remeasurement gain of previously held equity interest in an associate upon step acquisition of a subsidiary	(49,282)	–
Exchange loss (gain), net	13,633	(10,712)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	708,704	737,538
Decrease in supply chain assets at FVTOCI	2,160,597	1,137,726
Decrease in other financial assets at FVTPL – distressed debt assets	2,158	1,578
Increase in receivables from refinancing of supply chain assets upon derecognition	(4,128)	–
Decrease (increase) in receivables from guarantee customers	332	(1,859)
Decrease (increase) in trade and bill receivables	18,569	(16,545)
Decrease in contract costs	172	3,003
Increase in other receivables, prepayments and others	(64,735)	(32,026)
Increase in pledged bank deposits for guarantee contracts	(166,409)	(47,722)
Increase (decrease) in trade and other payables	186,833	(78,296)
Increase (decrease) in contract liabilities	14,331	53,815
Increase in liabilities arising from guarantee contracts	15,208	7,880
	<hr/>	<hr/>
Cash from operations	2,871,632	1,765,092
Enterprise income tax paid	(111,977)	(83,156)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	2,759,655	1,681,936

	2024	2023
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Proceeds from disposal of other financial assets at FVTPL	2,109,897	1,061,953
Repayments from loans to associates	295,222	315,772
Redemption of time deposits	128,830	5,767
Redemption of a debt instrument at amortised cost	19,000	–
Bank interest income received	18,940	14,557
Dividends received from associates	11,143	–
Settlement of derivative financial instruments	10,178	2,170
Interest received from loans to associates	7,139	–
Repayment of loan receivables	6,264	164,000
Interest payments received from debt instrument at amortised cost	479	963
Refundable rental deposits received	340	22
Proceeds from disposal of equipment	112	325
Dividends received from equity instrument at FVTOCI	16	–
Placement of time deposits	–	(20,514)
Repayment of security deposit for loan receivable	–	(164,000)
Placement of pledged bank deposits for derivative financial instruments	–	(20,139)
Purchases of equity instruments at FVTOCI	(300)	(100)
Advances of a loan receivable	(6,262)	–
Payment for development costs and purchase of other intangible assets	(28,271)	(27,027)
Payment for purchase of equipment and prepayments of a property	(75,148)	(34,770)
Investments in associates	(86,000)	(353,498)
Advances of loans to an associate	(105,000)	(479,500)
Net cash outflow on disposal of subsidiaries	(206,936)	(43,087)
Net cash outflow on acquisition of subsidiaries	(281,747)	–
Purchases of other financial assets at FVTPL	(2,128,896)	(1,321,300)
	<u>(311,000)</u>	<u>(898,406)</u>
NET CASH USED IN INVESTING ACTIVITIES	(311,000)	(898,406)

	2024	2023
	RMB'000	RMB'000
FINANCING ACTIVITIES		
Loans raised from related parties	5,513,871	2,947,513
New borrowings raised	2,925,725	6,934,709
Withdrawal of pledged bank deposits for borrowings	1,532,430	2,306,243
Withdrawal of pledged wealth management products for borrowings	104,826	233,108
Proceeds from other financial liabilities at FVTPL	72,429	92,115
Proceeds from disposal of partial interest in a subsidiary without losing control	3,442	24,000
Proceeds received on exercise of RSU Scheme	590	–
Acquisition of additional interest in a subsidiary of the Company	–	(127,797)
Repayment of security deposits for borrowings	–	8,449
Interest paid for lease liabilities	(915)	(1,248)
Purchase of shares under RSU Scheme	(2,188)	(20,133)
Payment on repurchase of shares	(6,457)	(96,085)
Repayment of lease liabilities	(10,297)	(12,853)
Placement of wealth management products for borrowings	(14,225)	(171,247)
Dividends paid to non-controlling shareholders of subsidiaries	(30,044)	(2,950)
Repayment of other financial liabilities at FVTPL	(63,901)	(43,857)
Interest paid for loans from related parties	(178,912)	(46,084)
Interest paid for borrowings	(181,664)	(346,204)
Dividends paid to the shareholders of the Company	(240,839)	(67,684)
Placement of pledged bank deposits for borrowings	(2,137,442)	(2,629,065)
Repayment of borrowings	(4,580,920)	(7,120,614)
Repayment of loans from related parties	(5,291,152)	(2,566,231)
	<u>(2,585,643)</u>	<u>(705,915)</u>
NET CASH USED IN FINANCING ACTIVITIES		
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	(136,988)	77,615
Effect of foreign exchange rate changes	(5,608)	3,562
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>658,210</u>	<u>577,033</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u><u>515,614</u></u>	<u><u>658,210</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

SY Holdings Group Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s immediate holding company is Wisdom Cosmos Limited. Its ultimate shareholder is Mr. Tung Chi Fung, who is also the Chairman and Executive Director of the Company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of digital financing solutions, platform-based technology services and refinancing of supply chain assets in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “**2020 Amendments**”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “**2022 Amendments**”)

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months;
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The followings are the impact of the application of the amendments:

Borrowings which are subject to meeting certain conditions/covenants within 12 months from reporting date

The Group's right to defer settlement for borrowings of RMB201,857,000 and RMB811,489,000 as at 1 January and 31 December 2023, respectively are subject to compliance with certain financial ratios only after the reporting period. Upon the application of the 2022 Amendments, such borrowings are still classified as non-current as the covenants which the Group is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date.

Except as described above, the application of the 2020 and 2022 Amendments has no other material impact on the classification of the Group's other liabilities. The change in accounting policy does not have impact to the Group's profit or loss or earnings per share for the current and prior years presented.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance.

4. 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 technology services, digital financing solutions service and refinancing of supply chain assets mainly in the PRC, and the CODM, reviews the 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.

No revenue from individual customer contributing over 10% of total revenue of the Group during the year ended 31 December 2024 (2023: Nil).

5. REVENUE AND INCOME FROM PRINCIPAL ACTIVITIES

In the current year, the name of “gain on sales of supply chain assets” was changed to “gain on refinancing of supply chain assets upon derecognition”. Prior year disclosures have been re-presented to conform with the current year's presentation.

Revenue and income from principal activities for the year represents income received and receivable mainly from the provision of platform-based technology services, digital financing solutions and refinancing of supply chain assets in the PRC.

(i) Disaggregation of revenue from platform-based technology services

	2024	2023
	RMB'000	RMB'000
Technology and other services for loan facilitation	210,478	80,154
Referral service	131,104	65,166
Technology service for asset-backed securitisation (“ ABS ”) products	1,751	93
Supply chain technology services	814	24,422
Other services	2,424	399
	346,571	170,234

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Timing of revenue recognition		
Over time		
– Technology and other services for loan facilitation	210,478	80,154
– Supply chain technology services	814	24,422
– Other services	2,424	399
	<u>213,716</u>	<u>104,975</u>
A point in time		
– Referral service fees	131,104	65,166
– Technology service for ABS products	1,751	93
	<u>132,855</u>	<u>65,259</u>
	<u><u>346,571</u></u>	<u><u>170,234</u></u>

All the Group's platform-based technology services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023 is not disclosed.

(ii) Income from digital financing solutions

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income from supply chain assets	484,348	701,349
Guarantee income	35,840	19,423
Interest income from contracts containing significant financing components	1,696	2,039
	<u>521,884</u>	<u>722,811</u>

(iii) Gain on refinancing of supply chain assets upon derecognition

For the years ended 2024 and 2023, the Group sold part of supply chain assets to certain financial institutions mainly in the PRC. Refinancing 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.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Gain on refinancing of supply chain assets upon derecognition	<u>50,911</u>	<u>70,473</u>

6. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Government subsidies	20,114	30,979
Interest income		
– bank deposits	18,940	20,210
– loans to associates	10,277	6,419
– debt instruments at amortised cost	411	950
– loan receivables	2	–
Channel commission income	5,702	1,112
Rental income from an investment property	643	652
Dividends from equity instruments at FVTOCI		
– relating to investments held at the end of the reporting period	16	–
Others	746	385
	<u>56,851</u>	<u>60,707</u>

7. OTHER GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net gain (loss) from changes in fair value of		
– derivative financial instruments	12,414	15,965
– other financial assets at FVTPL	29,097	11,026
– other financial liabilities at FVTPL	(9,269)	(12,950)
Remeasurement gain of previously held equity interest in an associate upon step acquisition of a subsidiary	49,282	–
Gains (loss) from disposal of subsidiaries	5,177	(475)
Gains (loss) on disposal of equipment	56	(375)
Gains from modification of lease contracts	25	6
Exchange (loss) gain, net	(13,633)	10,712
Others	(288)	(282)
	<u>72,861</u>	<u>23,627</u>

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Impairment losses (reversed) recognised on:		
– Financial guarantee contracts	16,512	(1,377)
– Supply chain assets at FVTOCI	1,895	(6,040)
– Receivables from guarantee customers	(4)	5
– Debt instrument at amortised cost	(100)	–
– Trade and bill receivables	(214)	79
– Loans to an associate	(336)	190
	<u>17,753</u>	<u>(7,143)</u>

9. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest and guarantee expenses on borrowings	182,002	353,464
Interest on loans from related parties	176,191	54,085
Interest on lease liabilities	915	1,248
	<u>359,108</u>	<u>408,797</u>
Total finance costs	359,108	408,797
Less: amounts capitalised in the cost of buildings under construction	(32)	–
	<u>359,076</u>	<u>408,797</u>

10. TAXATION

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax	112,460	74,610
– Withholding tax levied on interest income of Hong Kong subsidiaries	86	990
– Withholding tax levied on dividend declared of PRC subsidiaries	5,237	2,228
	<u>117,783</u>	<u>77,828</u>
Deferred tax	11,470	7,270
	<u>129,253</u>	<u>85,098</u>

11. PROFIT FOR THE YEAR

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Directors' emoluments	8,674	7,945
Other staffs costs (excluding directors' emoluments)		
– Salaries, allowances and other staff benefits, including share-based payment expenses	192,951	182,360
– Staffs' retirement benefit scheme contributions	12,939	11,698
	<hr/>	<hr/>
Total staff costs	214,564	202,003
Less: amount capitalised in intangible assets	(26,956)	(23,724)
amount capitalised in contract costs	–	(511)
	<hr/>	<hr/>
Staff costs recognised in profit or loss	187,608	177,768
	<hr/>	<hr/>
Depreciation of property and equipment	1,637	2,826
Depreciation of right-of-use assets	12,415	14,789
Depreciation of investment property	883	883
Amortisation of intangible assets	19,418	14,099
	<hr/>	<hr/>
Total depreciation and amortisation	34,353	32,597
Less: amount capitalised in intangible assets	–	(7)
amount capitalised in buildings under construction	(2,158)	(1,079)
	<hr/>	<hr/>
Depreciation and amortisation recognised in profit or loss	32,195	31,511
	<hr/>	<hr/>
Research and development costs (<i>note</i>)	22,799	24,729
Auditor's remuneration	3,300	3,620
Materials cost recognised as an expense	639	21,125
Donation	721	3,039
	<hr/> <hr/>	<hr/> <hr/>

Note: During the year ended 31 December 2024, research and development costs recognised in other costs and operating expenses were mainly consists of staff costs amounted to RMB22,156,000 (2023: RMB24,116,000).

12. DIVIDENDS

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

	2024 HK\$'000	2023 HK\$'000
2023 final – HK26.9 cents (2023: 2022 final – HK7.5 cents) per share	<u>262,893</u>	<u>74,150</u>
	2024 RMB'000	2023 RMB'000
Shown in the consolidated financial statements	<u>239,333</u>	<u>67,861</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB34.7 cents (2023: HK26.9 cents) per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting of the Company.

13. 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:

	2024 RMB'000	2023 RMB'000
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>380,180</u>	<u>268,246</u>
	2024 '000	2023 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>976,219</u>	985,236
Effect of dilutive potential ordinary shares:		
Share options/RSU Scheme	<u>477</u>	<u>607</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>976,696</u>	<u>985,843</u>

14. INVESTMENTS IN ASSOCIATES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Cost of investments in associates, unlisted	<u>1,373,450</u>	562,698
Share of post-acquisition profit, net of dividends declared	<u>130,835</u>	20,373
Share of post-acquisition OCI	<u>–</u>	<u>(103)</u>
	<u>1,504,285</u>	<u>582,968</u>

15. OTHER FINANCIAL ASSETS AT FVTPL

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Unlisted investment funds	437,077	245,351
Equity tranche	230,522	190,962
Unlisted equity investments	75,550	75,550
Wealth management products	65,390	102,685
Trust fund	1,671	1,529
	<u>810,210</u>	<u>616,077</u>
Analysed for reporting purposes as:		
Current assets	339,760	202,036
Non-current assets	470,450	414,041
	<u>810,210</u>	<u>616,077</u>

16. SUPPLY CHAIN ASSETS AT FVTOCI

	31/12/2024	31/12/2023
	RMB'000	RMB'000
Supply chain assets at FVTOCI	4,891,307	7,663,344
Analysed for reporting purposes as:		
Current assets	4,889,258	7,536,455
Non-current assets	2,049	126,889
	<u>4,891,307</u>	<u>7,663,344</u>

As at 31 December 2024, the effective interest rates of the supply chain assets range mainly from 5.00% to 15.50% (31 December 2023: 4.90% to 14.00%) per annum.

As at 31 December 2024, the gross carrying amount of supply chain assets of RMB9,007,000 is past due (31 December 2023: RMB2,551,000). 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.

The following is an aging analysis based on due dates of the supply chain assets at FVTOCI instalments which are past due (instalments which are not yet due at the end of the reporting period are excluded):

	31/12/2024	31/12/2023
	RMB'000	RMB'000
<i>Past due by:</i>		
0 – 30 days	–	1,743
31 – 60 days	–	808
61 – 90 days	4,132	–
Over 90 days	4,875	–
	<u>9,007</u>	<u>2,551</u>
17. DEBT INSTRUMENT AT AMORTISED COST		
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Investment in a senior tranche of ABS product with fixed interest of 5.00% and maturity dated in June 2024	–	19,068
Less: ECL allowance	–	(100)
	<u>–</u>	<u>18,968</u>
18. EQUITY INSTRUMENTS AT FVTOCI		
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Unlisted equity investments	<u>62,711</u>	<u>61,498</u>
19. TIME DEPOSITS/PLEDGED BANK DEPOSITS/CASH AND CASH EQUIVALENTS		
The ranges of fixed interest rates/market rates on the Group's time deposits/pledged bank deposits/cash and cash equivalents are as follows:		
	Range of interest rates (per annum)	
	31/12/2024	31/12/2023
	%	%
Fixed-rate time deposits	N/A	1.45~2.51
Fixed-rate pledged bank deposits	0.10~4.00	0.00~5.71
Market rate cash and cash equivalents	<u>0.00~4.55</u>	<u>0.00~2.15</u>

An analysis of the Group's pledged bank deposits for the reporting period is as follows:

	31/12/2024	31/12/2023
	RMB'000	RMB'000
The bank deposits pledged for:		
– bank borrowings	1,043,767	660,114
– loan guarantee contracts in relation to third parties	352,606	186,197
– derivative financial instruments	5,032	20,139
	<u>1,401,405</u>	<u>866,450</u>
20. TRADE AND OTHER PAYABLES		
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Settlement payables to customers and funding providers	290,447	96,713
Accrued charges	70,435	71,889
Other tax payables	55,501	57,370
Construction payables	41,571	16,242
Deposits from digital financing solutions customers	3,263	14,975
Trade payables	2,794	5,929
Dividend payable to shareholders of the Company	346	1,852
Dividend payable to a non-controlling shareholder of a PRC subsidiary	–	28,484
Other payables and deposits	1,456	1,298
	<u>465,813</u>	<u>294,752</u>
21. CONTRACT LIABILITIES		
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Technology and other services for loan facilitation	73,326	58,995

22. LIABILITIES ARISING FROM GUARANTEE CONTRACTS

	31/12/2024			31/12/2023		
	Premium less accumulated amortisation <i>RMB'000</i>	ECL provision <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Premium less accumulated amortisation <i>RMB'000</i>	ECL provision <i>RMB'000</i>	Carrying amount <i>RMB'000</i>
Guarantee contracts in relation to:						
– third parties	35,737	46,532	50,682	21,412	26,413	28,495
– associates	1,647	12,338	13,432	764	3,687	3,899
	<u>37,384</u>	<u>58,870</u>	<u>64,114</u>	<u>22,176</u>	<u>30,100</u>	<u>32,394</u>
Analysed for reporting purposes as:						
Current	35,742	55,831	59,981	22,176	28,784	31,078
Non-current	1,642	3,039	4,133	–	1,316	1,316
	<u>37,384</u>	<u>58,870</u>	<u>64,114</u>	<u>22,176</u>	<u>30,100</u>	<u>32,394</u>

At the end of the reporting period, the directors of the Company have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate.

The following is the maximum amount of the Group has guaranteed under the contracts and details of liabilities arising from guarantee contracts.

	31/12/2024 <i>RMB'000</i>	31/12/2023 <i>RMB'000</i>
Guarantee contracts in relation to:		
– third parties	4,498,693	2,524,784
– associates	7,427,110	2,109,247
	<u>11,925,803</u>	<u>4,634,031</u>

23. BORROWINGS

	31/12/2024 <i>RMB'000</i>	31/12/2023 <i>RMB'000</i>
Bank borrowings and bills discounted	2,079,146	3,928,776
Entrusted loans	290,968	224,668
ABS issued	–	1,228,265
Other loans	529,406	838,277
	<u>2,899,520</u>	<u>6,219,986</u>
Secured	2,191,687	5,589,532
Unsecured	707,833	630,454
	<u>2,899,520</u>	<u>6,219,986</u>
	31/12/2024 <i>RMB'000</i>	31/12/2023 <i>RMB'000</i>
The carrying amounts of the above borrowings are repayable*:		
– within one year	2,716,219	4,673,232
– within a period of more than one year but not exceeding two years	174,569	1,360,957
– within a period of more than two years but not exceeding five years	8,732	185,797
	<u>2,899,520</u>	<u>6,219,986</u>
Less: Amounts due within one year shown under current liabilities	<u>(2,716,219)</u>	<u>(4,673,232)</u>
Amounts shown under non-current liabilities	<u>183,301</u>	<u>1,546,754</u>

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

24. OTHER FINANCIAL LIABILITIES AT FVTPL

	31/12/2024 <i>RMB'000</i>	31/12/2023 <i>RMB'000</i>
Deferred contingent consideration (<i>note 26</i>)	494,685	–
Structured notes	74,116	61,208
	<u>568,801</u>	<u>61,208</u>
Analysed for reporting purposes as:		
Current liabilities	273,336	61,208
Non-current liabilities	295,465	–
	<u>568,801</u>	<u>61,208</u>

25. 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		
Authorised:		
At 1 January 2023, 31 December 2023 and 31 December 2024	<u>5,000,000,000</u>	<u>50,000,000</u>
	Number of shares	Share capital <i>HK\$</i>
Issued:		
At 1 January 2023	1,007,714,500	10,077,145
Repurchase and cancellation of shares	<u>(17,964,500)</u>	<u>(179,645)</u>
At 31 December 2023	<u>989,750,000</u>	<u>9,897,500</u>
Repurchase and cancellation of shares	(1,343,000)	(13,430)
At 31 December 2024	<u>988,407,000</u>	<u>9,884,070</u>
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Shown in the consolidated statement of financial position	<u>8,547</u>	<u>8,559</u>

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

26. ACQUISITION OF SUBSIDIARIES

In July 2024, the Group acquired 100% interest in Great Style Holdings Limited (“**Great Style**”) which is a holding company with equity interests in 3 subsidiaries (including Hong Ji Factoring (Shenzhen) Limited (“**HJ**”), an associate of the Group before July 2024) which principally engaged in supply chain financing and investment business, from an independent third party. Great Style was acquired with the objective of expanding the Group’s relevant business. The acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred

	<i>RMB’000</i>
Cash	300,000
Contingent consideration arrangement (<i>Note</i>)	489,796
	<hr/>
Total	789,796
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Note: Based on the relevant agreement, the Group is required to pay a maximum amount of RMB200,000,000 if adjusted net profit of Great Style and its subsidiaries (collectively referred to as the “Great Style Group”) in the calendar year 2024 exceeds RMB20,000,000 and pay a maximum amount of RMB300,000,000 if cumulated adjusted net profit of Great Style Group in the calendar years 2024 and 2025 exceeds RMB45,000,000. The fair value of such contingent arrangement amounted to RMB494,685,000 as at the end of the reporting period and has been included in other financial liabilities at FVTPL on the consolidated statement of financial position.

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in the current year, in the consolidated statement of profit or loss.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	<i>RMB’000</i>
Equipment	40
Intangible assets	198,583
Other financial assets at FVTPL	106,936
Supply chain assets at FVTOCI	119,109
Other receivables, prepayments and others	146
Cash and cash equivalents	18,253
Other payables and accrued charges	(3,442)
Income tax payable	(2,935)
Deferred tax liabilities	(49,617)
	<hr/>
	387,073
	<hr/>
Goodwill arising on acquisition:	
Consideration transferred	789,796
Fair value of previously equity interest held as interest in HJ	62,242
Less: fair value of net identifiable assets acquired	(387,073)
	<hr/>
Goodwill arising on acquisition	464,965
	<hr/> <hr/>

Goodwill arose on the acquisition of Great Style because the cost of the combination included a control premium. In addition, the goodwill included amounts in relation to further expansion of industry coverage of the Group's supply chain technology platform and strengthens the development of its existing business. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of Great Style:

Cash consideration paid	300,000
Less: cash and cash equivalents balances acquired	<u>(18,253)</u>
	<u><u>281,747</u></u>

Fair value of equity interest previously held in HJ as at acquisition date

The fair value of HJ was estimated by an independent and professionally qualified valuer using present value techniques. The fair value is determined using income approach based on expected cash flows generated by HJ.

As at acquisition date, the fair value of previously equity interest in HJ held as interest in an associate was RMB62,242,000, while the book value of previously equity interest in HJ held as interest in an associate was RMB12,985,000, the difference of RMB49,257,000 had been recognised as a gain on remeasurement of previously held interest in an associate becoming a subsidiary and included in the "other gain and losses" line item in the consolidated statement of profit or loss. The amount of RMB25,000 was previously recognised in OCI and was reclassified to profit or loss.

Impact of acquisition on the results of the Group

Included in the profit for the year is RMB40,804,000 attributable to the additional business generated by Great Style Group. Revenue for the year includes RMB51,243,000 generated from Great Style Group.

Had the acquisition been completed on 1 January 2024, revenue for the year of the Group would have been RMB939,795,000, and profit for the year of the Group would have been RMB354,292,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Great Style Group been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of equipment at the date of the acquisition.

EVENT AFTER THE REPORTING PERIOD

Except as disclosed above and in note 12 of the consolidated financial statements, the Group had no other significant subsequent event after the reporting period.

PUBLICATION

This annual results announcement published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.syholdings.com) respectively.

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

Hong Kong, 17 March 2025

As at the date of this announcement, the Board comprises two Executive Directors: Mr. Tung Chi Fung and Ms. Wang Ying; one Non-executive Director: Mr. Lo Wai Hung; and four Independent Non-executive Directors: Mr. Fong Heng Boo, Mr. Tang King San Terence, Ms. Chan Yuk Ying Phyllis and Mr. Sun Wei Yung Kevin

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. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.