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盛業控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(股份代號: 606)

[redacted]

For the year ended 31 December 2023

- In line with the Group's platform-based strategy, total cumulative platform users were over 15,300 as of 31 December 2023, representing an increase of approximately 20.5% as compared to over 12,700 as of 31 December 2022. Total funding partners increased by 22.4% from 107 as of 31 December 2022 to 131 as of 31 December 2023. SME loan customers accounted for more than 97% during the year ended 31 December 2023.

- Total cumulative supply chain assets processed was approximately RMB193 billion as of 31 December 2023, representing an increase of approximately 21.4% as compared to approximately RMB159 billion as of 31 December 2022.

- The Group's total revenue and income from principal activities increased by 20.4% year-on-year to RMB963.5 million for the year ended 31 December 2023, compared to RMB800.4 million for the year ended 31 December 2022.

- Tech-related revenue generated from platform-based services and supply chain technology services for the year ended 31 December 2023 was RMB170.2 million representing an increase of approximately 64.8%, as compared to RMB103.3 million for the year ended 31 December 2022. The proportion of tech-related revenue in Group's total revenue and income from principal activities is approximately 17.7%, representing a significant increase as compared to approximately 12.9% for the year ended 31 December 2022.

- Income from digital financing solutions for the year ended 31 December 2023 was RMB722.8 million representing an increase of approximately 15.7%, as compared to RMB624.9 million for the year ended 31 December 2022.

- Profit after taxation for the year ended 31 December 2023 was RMB285.5 million representing an increase of approximately 17.2%, as compared to the profit after tax of RMB243.6 million for the year ended 31 December 2022.

- The Directors recommend the payment of a dividend of HK26.9 cents per ordinary share of the Company for the year ended 31 December 2023 (for the year ended 31 December 2022: HK7.5 cents per ordinary share).

Technology Empowers Platformization, Driving Scale Effects

SY is actively exploring innovative applications in the digital currency field to support the collaborative development of digital finance and inclusive finance. With strong support from the government and financial regulatory bodies in various pilot regions, SY has pioneered the implementation of "Tianjin's first digital currency + supply chain financial business", "Zhejiang Province's first digital currency + factoring business", "Jiangsu Province's largest single transaction of RMB100 million in digital currency factoring business", "the industry's first digital currency + smart contract + charitable donation", "the industry's first digital currency + smart contract + construction worker wage distribution", and "the first digital currency + employee salary distribution". During holidays, SY adheres to a customer-oriented approach, utilizing the "digital currency + factoring" model to support 7*24 hours of large loan disbursements and cash withdrawal transfers without any fees, meeting customers' financing needs anytime and anywhere, and offering interest and fee discounts.

FINANCIAL REVIEW

Revenue and income from principal activities

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

The Group's total revenue and income from principal activities increased by 20.4% year-on-year to RMB963.5 million for the year ended 31 December 2023, compared to RMB800.4 million for the previous year, mainly due to the further breakthrough in the number of SME customers as a result of the continuous and in-depth platformisation strategy, as well as a further increase and diversification of platform funding partners, which resulted in the expansion of the business scale of loan facilitation business and digital financing solutions.

The following table sets forth the comparative figures and as a percentage of total revenue and income from principal activities for the year ended 31 December 2023 and 2022.

	Year ended 31 December				
	2023			2022	
	RMB'000	**% of total**	**Year-on-year**	*RMB'000*	% of total
Revenue from contracts with customers					
– Platform-based services					
– Technology service for loan facilitation	**80,154**	**8.3%**	**50.0%**	53,430	6.7%
– Referral service fees	**65,166**	**6.8%**	**333.3%**	15,040	1.9%
– Technology service for asset-backed securitisation products	**93**	**0.0%**	**-95.3%**	1,970	0.2%
– Other services	**399**	**0.1%**	**-24.9%**	531	0.1%
Subtotal	**145,812**	**15.2%**	**105.5%**	70,971	8.9%
– Supply chain technology services	**24,422**	**2.5%**	**-24.4%**	32,296	4.0%
Income from digital financing solutions					
– Interest income from supply chain assets	**701,349**	**72.8%**	**16.0%**	604,546	75.6%
– Guarantee income	**19,423**	**2.0%**	**-3.7%**	20,167	2.5%
– Interest income from contracts containing significant financing components	**2,039**	**0.2%**	**1,190.5%**	158	0.0%
Subtotal	**722,811**	**75.0%**	**15.7%**	624,871	78.1%
Gain on sales of supply chain assets	**70,473**	**7.3%**	**-2.5%**	72,287	9.0%
Revenue and income from principal activities	**963,518**	**100%**	**20.4%**	800,425	100%

Platform-based services

Revenue from the platform-based services comprises (i) services fees received from customers by providing loan facilitation services through SY Cloud platform (a data-driven supply chain technology platform empowered by the Group) during the loan period of the customers; (ii) services fees received from customers by referring the customers to the funding partners; (iii) technology service fees that the Group charged for facilitating the issuance of ABS/ABN by large core enterprises; and (iv) services fees received from customers by providing AR management services. Revenue from platform-based services significantly increased by 105.5% year-on-year to approximately RMB145.8 million for the year ended 31 December 2023, compared to approximately RMB71.0 million for the preceding year, mainly driven by the expansion of its loan facilitation business, due to the Group's push towards a platform-based

Expenses

The following table sets forth the comparative figures of the principal components of the operational expenses for the year ended 31 December 2023 and 2022.

	Year ended 31 December		
	2023	2022	
	RMB'000	*RMB'000*	Year-on-year
Staff costs	**177,768**	144,822	22.7%
Depreciation and amortisation	**31,511**	28,636	10.0%
Other operating expenses	**62,472**	55,249	13.1%
Total	**271,751**	228,707	18.8%

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

The Group's total operational expenses increased by 18.8% year-on-year to RMB271.8 million for the year ended 31 December 2023, compared to RMB228.7 million for the last year, mainly due to the increase in staff costs of RMB32.9 million, depreciation of property, equipment, right-of-use assets and investment property and amortisation of intangible assets of RMB2.9 million and other operating expenses of RMB7.2 million as a result of business expansion.

The operational cost-to-income ratio for the year of 2023 was 28.1% as compared with 28.6% in 2022, excluding one-time expenses.

Net profit

Net profit in the year of 2023 was RMB285.5 million, an increase of RMB41.9 million or 17.2% year-on-year, compared to RMB243.6 million for the year ended 31 December 2022.

Adjusted net profit

Adjusted net profit increased by 16.8% year-on-year to RMB291.6 million for the year ended 31 December 2023, compared to RMB249.6 million for the year ended 31 December 2022.

Non-HKFRSs Measure: adjusted net profit

To supplement our consolidated results which are prepared and presented in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**"), we utilize non-HKFRSs adjusted net profit ("**adjusted net profit**") as an additional financial measure. We define adjusted net profit as profit for the year, as adjusted by excluding loss on deregistration 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 ouoBT0.033 Tc (o)0.5 61 559.7314 rg,7 conjunction with the oth thlnatms emsbe0.5 61 559. g

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

Supply chain assets at FVTOCI as of 31 December 2023 were RMB7,663.3 million, a 9.0% decrease year-on-year. Daily average balance of self-funded supply chain assets over the year of 2023 was RMB7,940.8 million, a 16.6% increase over the year of 2022. Based on the daily average balance of self-funded supply chain assets, interest yield on supply chain assets in the year of 2023 was 8.8%, which was 0.1 percentage points lower year-on-year.

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

As at 31 December 2023, all of the total supply chain assets were secured by charge over trade receivable, in respect of which the legal title and legal right to receivable cash flows were also transferred to the Group. Furthermore, the supply chain assets of RMB160.5 million (31 December 2022: RMB373.8 million) were secured by certain commercial acceptance bills received from customers and the supply chain assets of RMB16.6 million (31 December 2022: RMB804.1 million) were secured by deposit from customers. The bills and deposits can be applied and used to settle any outstanding receivables of supply chain assets for the corresponding contract if default occurs.

As at 31 December 2023, there were a total of 3,187 (31 December 2022: 4,782) outstanding supply chain assets obtained by the Group, out of which 137 (31 December 2022: 157) supply chain assets are referred to as sizeable loans with principal amount exceeds RMB10,000,000, 744 (31 December 2022: 1,011) supply chain assets with principal amount between RMB1,000,000 and RMB10,000,000, 2,306 (31 December 2022: 3,614) supply chain assets with principal amount less than RMB1,000,000.

As at 31 December 2023, the outstanding supply chain assets of RMB397.4 million (31 December 2022: RMB1,065.9 million) were obtained from the related parties (which are associates of the Group under the Listing Rules and the non-controlling shareholder of a material subsidiary) of the Group. The remaining balance of the outstanding supply chain assets were obtained from the independent third parties of the Group. The supply chain assets normally have a term of 1 to 24 months (31 December 2022: 1 to 24 months) and the effective interest rates ranging mainly from 4.90% to 14.00% (31 December 2022: 4.00% to 15.00%) per annum.

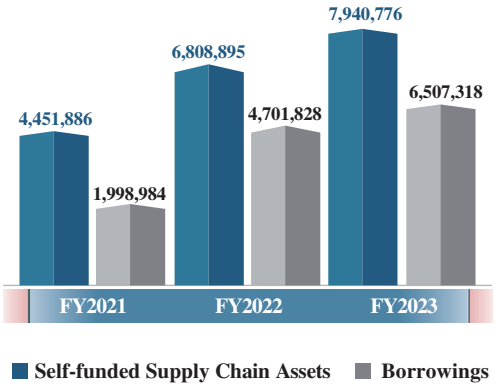
Movements in impairment loss allowance on supply chain assets

The Group's impairment loss allowance on supply chain assets decreased by 9.9% year-on-year to RMB85.3 million as at 31 December 2023, compared to RMB94.7 million as at 31 December 2022, mainly attributable to the decrease in gross balance of supply chain assets as at 31 December 2023 and the improvement on the quality of supply chain assets. No impairment loss allowance were written off for the year ended 31 December 2023 (for the year ended 31 December 2022: RMB15.9 million).

Borrowings and finance cost

Borrowings, including loans from related parties, as of 31 December 2023 was RMB7,182.9 million, a 8.7% increase year-on-year. Daily average balance of borrowings over the year of 2023 were RMB6,507.3 million, a 38.4% increase year-on-year. The increase in finance costs of RMB132.4 million year-on-year was mainly due to the increase in the daily average balance of borrowings and the increase in average borrowings interest rate from 5.9% over the year of 2022 to 6.3% over the year of 2023.

Daily Average Balance *(RMB'000)*



Taxation

Income tax expenses represent the tax expense arising from the assessable profit generated by the Group in the PRC, withholding tax levied on interest income of Hong Kong subsidiaries, withholding tax levied on dividend declared 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 2023 and 2022. The increase in effective tax rate from 14.8% for the year ended 31 December 2022 to 23.0% for the year ended 31 December 2023 was mainly attributable to the increase in profit before taxation in subsidiaries with applicable tax rate of 25% and the expiry of exemption of income tax policy enjoyed by the subsidiary.

For the year ended 31 December 2023, income tax expenses amounted to approximately RMB85.1 million (for the year ended 31 December 2022: RMB42.4 million).

KEY INTERNAL CONTROLS IN RESPECTIVE OF DIGITAL FINANCING SOLUTIONS

The Group has established and maintained comprehensive approval and risk assessment procedures, sound internal control system and established credit risk control policies in place which take into account internal and external factors to determine the approval of digital financing solutions. The Group applies industry risk assessment model which is based on a conventional risk control and industry-specific evaluation model for credit assessment of digital financing solutions.

With an in-depth accumulated understanding of the industry, the Group verifies and validates the

- ***Utilization Quota***

  After a Customer Quota is approved by the Group, the customer could apply for the utilization of digital financing solutions. The aggregated outstanding amount of the utilizations of a customer shall not exceed the Customer Quota granted to the customer, and the amount of each application shall not exceed the Utilization Quota determined by the Group separately.

  Utilization Quota is generally determined by the Group upon each application considering, among others, (i) the amount of accounts receivables owned by the customer which is of sufficient value (being more than or equal to the amount of the utilization applied by the customer) as credit enhancement for the provision of the digital financing solutions under the specific application; and (ii) the transaction profile maintained on a real-time basis by the Group from which the accounts receivables are originated. The transaction profile is empowered by the Group's data-driven supply chain technology platform, known as "SY Cloud Platform", which verifies transactional authenticity with multi-dimensional and diversified-sourced data by incorporating a comprehensive suite of technologies such as electronic signatures, optical character recognition ("**OCR**"), natural language processing ("**NLP**"), big data analytics, video authentication and facial recognition.

Monitoring of loan recoverability

The timely repayment of the digital financing solutions and risk exposures is monitored by the Group's risk management department. Leveraging on the data-driven technology platform, the Group continues to monitor the assets through regular monitoring of repayment, invoice status verification and 24-hour public opinion monitoring to ensure that the entire financing process is under comprehensive, continuous and effective management and control.

The Group establishes close cooperation with various banks, opens designated accounts, collects and monitors the repayment information in a timely manner, and effectively tracks the customers' continuity of business operation and stability of cooperation with core enterprises, thereby further strengthening the risk control and realizing closed-loop cash flow management.

Loan collection

Where irregularity is noted by 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.

BUSINESS OUTLOOK AND PROSPECTS

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

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

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

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING

During the year ended 31 December 2023, the Group's main source of funds was the cash generated from its daily operations and proceeds from new borrowings. As at 31 December 2023, the Group had cash and cash equivalents of RMB658.2 million (31 December 2022: RMB577.0 million), of which 97.3% and 1.9% were denominated in RMB and HKD respectively. Net cash from operating activities was RMB1,681.9 million in 2023 (for the year ended 31 December 2022: net cash used in operating activities was RMB769.2 million), an increase of RMB2,451.1 million year-on-year was mainly due to the change from net cash used in supply chain assets at FVTOCI of RMB1,255.4 million for the year ended 31 December 2022 to net cash from supply chain assets at FVTOCI of RMB1,137.7 million for the year ended 31 December 2023.

As at 31 December 2023, the Group had interest-bearing borrowings and loans from related parties which amounted to RMB7,182.9 million (31 December 2022: RMB6,610.4 million). Its gearing ratio, expressed as total liabilities over total equity was 1.91 as at 31 December 2023 (at 31 December 2022: 1.76).

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK26.9 cents per ordinary share of the Company for the year ended 31 December 2023 (for the year ended 31 December 2022: HK7.5 cents per ordinary share).

EXPECTED DATE OF DIVIDEND PAYMENT

The Board recommend that the proposed final dividend to be payable on 17 June 2024 to those shareholders whose names appear on the Company's register of members on Tuesday, 28 May 2024, subject to approval by the shareholders of the Company at the forthcoming annual general meeting to be held in late May 2024.

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 Tuesday, 28 May 2024 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 the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4: 30 p.m. on Monday, 27 May 2024. The ex-dividend date for the proposed final dividend will be on Friday, 24 May 2024.

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 and 2023, details of the use of proceeds of the placement were as follows:

Use of proceeds	Net proceeds raised *(Approximately HK$ million)*	Actual use of net proceeds during the year ended 31 December 2021 *(Approximately HK$ million)*	Actual use of net proceeds during the year ended 31 December 2022 *(Approximately HK$ million)*	Actual use of net proceeds during the year ended 31 December 2023 *(Approximately HK$ million)*	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	The remaining unutilised amount of approximately HK$109.0 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	1 B1		

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FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group aims to become the most reliable supply chain technology platform in Asia under the "Dual-Engine, One-Platform" strategy announced in January 2021. To achieve this goal, the Group will continue to explore initiatives to acquire technological capabilities, more comprehensive data insights and open new markets to capitalize on the burgeoning demand for supply chain financial services. Meanwhile, the Group will continue its investment in the key strategic areas, inter alia, industrial digitalisation and digital finance, to further strengthen the Group's platform-based technology services and market position within the supply chain ecosystem. SY is also continuously focusing on and researching national strategic and emerging industries such as new energy, new infrastructure, e-commerce. Going forward, SY will further strengthen collaboration with outstanding regional SOEs and embed itself into their supply chain ecosystems to efficiently reach more local customers and contribute to the development of the real economy.

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.5 d researchicetp1fis0 tc5.53ang (.5 .)0.ency rindency riLang (monitorsTJusiertainurreenainuappropngs12.-5

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 2023.

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

Save as disclosed herein, as at 31 December 2023, none of the Directors or chief executive of the Company or their associates (as defined in the Listing Rules) had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to provisions set out in Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2023, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	**Capacity/nature of interest**	**Number and class of securities interested** *(Note 1)*	**Percentage of shareholding**
TMF Trust *(Note 2)*	Trustee	560,601,960 (L)	56.64%
Eander *(Note 2)*	Interest in a controlled corporation	560,601,960 (L)	56.64%
Wisdom Cosmos *(Note 2)*	Beneficial owner	560,601,960 (L)	56.64%
Wuxi Communications Industry Group Co., Ltd ("**WXCIG**") *(Note 3)*	Interest in a controlled corporation	61,363,500 (L)	6.20%
Xitong International Holdings (HK) Limited ("**Xitong**") *(Note 3)*	Beneficial owner	61,363,500 (L)	6.20%

Notes:

1. The letter "L" denotes long position of the shares of the Company.

2. Wisdom Cosmos, a company incorporated in the BVI, is the beneficial owner of 560,601,960 shares of the Company, representing approximately 56.64% shareholding interests in the Company. The entire issued share capital of Wisdom Cosmos is owned by Eander, a company incorporated in the BVI, which is in turn wholly owned by TMF Trust, trustee of the PJ Trust, an irrevocable reserved power trust established by Mr. Tung. Mr. Tung and his family members are the beneficiaries of the PJ Trust. Under the SFO, Mr. Tung, TMF Trust and Eander are deemed to be interested in all the shares of the Company registered in the name of Wisdom Cosmos.

3. Xitong, a company incorporated in Hong Kong, is the beneficial owner of 61,363,500 shares of the Company, representing approximately 6.09% shareholding interests in the Company. The entire issued share capital of Xitong is owned by WXCIG, a company incorporated in the PRC, which is in turn wholly owned by State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government. Under the SFO, WXCIG and Xitong are deemed to be interested in all the shares of the Company registered in the name of Xitong.

Save as disclosed above, as at 31 December 2023, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

SHARE OPTION SCHEME

During the year ended 31 December 2023, (i) no share options were granted; (ii) 15,625,000 granted options were outstanding under the share option scheme; (iii) no granted options were exercised; (iv) 6,715,000 granted options were lapsed; and (v) no granted options were cancelled.

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

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of share options available for grant under the Share Option Scheme as at 1 January 2023 and 31 December 2023 were 40,997,500 and 47,712,500, respectively.

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of Shares of the Company available for issue under the Share Option Scheme is 63,337,500 Shares, representing approximately 6.40% of the 989,750,000 ordinary Shares of the Company in issue as at 21 March 2024, being the date of this announcement.

Pursuant to Rule 17.09(9) of the Listing Rules, as at 31 December 2023, the remaining life of the Share Option Scheme is about 3 years and 4 months old.

Save for the grants of share options on 11 September 2017, 14 November 2018, 15 July 2020 and 10 June 2022 as disclosed in the announcements on the same date respectively, no new share options have been granted nor any existing share option schemes have been adopted by the Company as at 31 December 2023.

RSU SCHEME

During the year ended 31 December 2023, (i) no RSUs were granted; (ii) 1,080,000 granted RSUs were outstanding under the RSU scheme; (iii) no granted RSUs were exercised; (iv) 220,000 granted RSUs were lapsed; and (v) no granted RSUs were cancelled.

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

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of RSUs available for grant under the RSU scheme as at 1 January 2023 and 31 December 2023 were 18,792,570 and 19,012,570, respectively.

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of Shares of the Company available for issue under the RSU Scheme is 20,092,570 Shares, representing approximately 2.03% of the 989,750,000 ordinary Shares of the Company in issue as at 21 March 2024, being the date of this announcement.

Pursuant to Rule 17.09(9) of the Listing Rules, as at 31 December 2023, the remaining life of the RSU Scheme is about 8 years and 3 months old.

Save for the adoption of the RSU Scheme grants on 6 April 2022 and the grant of RSUs on 10 June 2022 as disclosed in the announcements on the same date respectively, no new RSUs have been granted nor any existing RSU schemes have been adopted by the Company as at 31 December 2023.

Pursuant to Rule 17.07(3) of the Listing Rules, the total number of shares that may be issued in respect of share options and RSUs granted under the Share Option Scheme and RSU Scheme of the Company during the year ended 31 December 2023 divided by the weighted average number of shares of the relevant class in issue for the financial year ended 31 December 2023 was 8.43%.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2023, the Company repurchased 18,190,000 shares on the Stock

DIRECTORS' SECURITIES TRANSACTIONS

CORPORATE GOVERNANCE

During the year ended 31 December 2023, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

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 2023.

DIVIDEND POLICY

The Company has adopted a dividend policy that aims to provide the guidelines for the Board to determine whether dividends are to be declared and paid to the Shareholders and the level of dividend to be paid. Under the dividend policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among others,

(1) the Group's actual and expected financial performance;

(2) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;

(3) retained earnings and distributable reserves of the Company and each of the members of the Group;

(4) the Group's liquidity position;

(5) interest of shareholders;

(6) taxation consideration;

(7) potential effect on creditworthiness;

(8) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

(9) any other factors that the Board deems appropriate.

The declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and is also subject to any restrictions under the Companies Law of the Cayman Islands, the Listing Rules, the laws of Hong Kong and the Company's Memorandum and Articles of Association and any other applicable laws and regulations. The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The Company will continue to review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

OTHER INFORMATION

AUDIT COMMITTEE

The Company established an Audit Committee on 19 June 2017 with written terms of reference in

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	NOTES	**2023** **RMB'000**	2022 RMB'000
Revenue from contracts with customers	*5*		
– Platform-based services		**145,812**	70,971
– Supply chain technology services		**24,422**	32,296
Income from digital financing solutions	*5*		
– Interest income from supply chain assets		**701,349**	604,546
– Guarantee income		**19,423**	20,167
– Interest income from contracts containing significant financing components		**2,039**	158
Gain on sales of supply chain assets	*5*	**70,473**	72,287

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	NOTE	**2023**	2022
		RMB'000	*RMB'000*
Profit for the year	*11*	**285,545**	243,608
Other comprehensive income (expense) ("OCI"):			
Item that will not be reclassified to profit or loss:			
Fair value gain on investments in equity instruments at fair value through OCI ("**FVTOCI**")		**7,769**	12,835
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(96)**	(170)
Fair value gain (loss), net of ECL and reclassification of FVTOCI reserves upon derecognition on:			
– supply chain assets at FVTOCI		**3,945**	(2,948)
Income tax relating to items that may be reclassified subsequently		**(981)**	(50)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	NOTES	**31/12/2023**	31/12/2022
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property and equipment		**68,264**	17,426

	NOTES	**31/12/2023** ***RMB'000***	31/12/2022 *RMB'000*
CURRENT LIABILITIES			
Loans from related parties		**960,654**	370,052
Trade and other payables	*21*	**294,752**	494,285
Derivative financial instruments		**9,579**	12,904
Contract liabilities		**58,995**	5,180
Income tax payable		**31,791**	37,119
Liabilities arising from guarantee contracts	*22*	**31,078**	25,891
Borrowings	*23*	**4,673,232**	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company												
	Share capital *RMB'000*	Treasury stock *RMB'000*	Share premium *RMB'000*	Share held for restricted share unit scheme ("RSU Scheme") *RMB'000*	Capital reserves *RMB'000*	FVTOCI reserves/ Revaluation reserves *RMB'000*	Translation reserves *RMB'000*	Share-based payments reserves *RMB'000*	Statutory reserves *RMB'000*	Retained profits *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At 1 January 2022	8,687	–	2,319,847	–	1,547	4,007	33	27,381	93,173	1,316,170	3,770,845	182,749	3,953,594
Profit for the year	–	–	–	–	–	–	–	–	–	219,399	219,399	24,209	243,608
Other comprehensive income (expense) for the year	–	–	–	–	–	11,057	(170)	–	–	–	10,887	(1,323)	9,564

	2023	2022
	RMB'000	*RMB'000*
Operating cash flows before movements in working capital	**737,538**	594,682
Decrease (increase) in supply chain assets at FVTOCI	**1,137,726**	(1,255,413)
Decrease in other financial assets at FVTPL – distressed debt assets	**1,578**	3,500
Increase in pledged bank deposits for guarantee contracts	**(47,722)**	(42,155)
(Increase) decrease in receivables from guarantee customers	**(1,859)**	1,729
Increase in trade and bill receivables	**(16,545)**	(33,908)
Decrease (increase) in contract costs	**3,003**	(1,813)
(Increase) decrease in other receivables, prepayments and others	**(32,026)**	24,796
Decrease in trade and other payables	**(78,296)**	(18,185)
Increase (decrease) in contract liabilities	**53,815**	(798)
Increase in liabilities arising from guarantee contracts	**7,880**	4,693
Cash from (used in) operations	**1,765,092**	(722,872)
Enterprise income tax paid	**(83,156)**	(46,331)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**1,681,936**	(769,203)

	2023	2022
	RMB'000	*RMB'000*
INVESTING ACTIVITIES		
Proceeds from disposal of other financial assets at FVTPL	**1,061,953**	1,707,926
Repayment of a loan to an associate	**315,772**	–
Repayment of loan receivables	**164,000**	106,219
Bank interest income received	**14,557**	11,673
Redemption of time deposits	**5,767**	–
Settlement of derivative financial instruments	**2,170**	(8,166)
Interest payments received from debt instrument at amortised cost	**963**	–
Proceeds from disposal of equipment	**325**	7
Refundable rental deposits received	**22**	76
Security deposit received for a loan receivable	**–**	164,000
Redemption of a debt instrument at amortised cost	**–**	54,697
Withdrawal of pledged bank deposits for derivative financial instruments	**–**	2,000
Repayment of security deposits for derivative financial instruments	**–**	201
Net cash outflow arising on acquisition of assets through acquisition of a subsidiary	**–**	(32,235)
Purchases of debt instruments at amortised cost	**–**	(66,739)
Payments for right-of-use assets	**–**	(86,314)
Advances of a loan receivable	**–**	(257,134)
Purchases of equity instruments at FVTOCI	**(100)**	(40,794)
Placement of time deposits	**(20,514)**	(109,573)
Placement of pledged bank deposits for derivative financial instruments	**(20,139)**	–
Payment for development costs and purchase of other intangible assets	**(27,027)**	(17,768)
Payment for purchase of equipment and prepayments of a property	**(34,770)**	(10,162)
Net cash outflow arising on deregistration of subsidiaries	**(43,087)**	–
Repayment of security deposit for loan receivable	**(164,000)**	–
Investment in associates	**(353,498)**	(199,000)
Advances of loans to an associate	**(479,500)**	(199,500)
Purchases of other financial assets at FVTPL	**(1,321,300)**	(1,638,273)
NET CASH USED IN INVESTING ACTIVITIES	**(898,406)**	(618,859)

	2023	2022
	RMB'000	*RMB'000*

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 services, supply chain technology services and sales 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") AND AGENDA DECISIONS OF THE IFRS INTERPRETATIONS COMMITTEE (THE "COMMITTEE")

New and 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 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

In addition, the Group applied the agenda decision of the Committee, including Definition of a Lease – Substitution Rights (IFRS 16 Leases), which is relevant to the Group.

Except as described below, the application of the new and amendments to HKFRSs and the Committee's agenda decision 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 thesCID 3004 ƎDC BT6s4al statemeoup.

2.2 Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies.

Amendments to HKFRSs in i8. 8 127.5ELan1 Tc 06.

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 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

- clarify that 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.

- 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 amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which 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. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

	2023	2022
	RMB'000	*RMB'000*
Timing of revenue recognition		
Over time		
– Technology service for loan facilitation	**80,154**	53,430
– Supply chain technology services	**24,422**	32,296
– Other services	**399**	531
	104,975	86,257
A point in time		
– Referral service fees	**65,166**	15,040
– Technology service for ABS products	**93**	1,970
	65,259	114u10
	110,234	103,267

All the Group's platform-based services and supply chain 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 2023 and 2022 is not disclosed.

(iv) Income from digital financing solutions

	2023	2022
	RMB'000	*RMB'000*
Digital financing solutions		
– Interest income from supply chain assets	**701,349**	604,546
– Guarantee income	**19,423**	20,167
– Interest income from contracts containing significant financing components	**2,039**	158
	722,811	624,871

(v) Gain on sales of supply chain assets

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

	2023	2022
	RMB'000	*RMB'000*
Gain on sales of supply chain assets	**70,473**	72,287

9. FINANCE COSTS

11. PROFIT FOR THE YEAR

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

	2023	2022
	RMB'000	*RMB'000*
Directors' emoluments *(note i)*	**7,945**	3,418
Other staffs costs (excluding directors' emoluments)		
– Salaries, allowances and other staff benefits, including share-based payment expenses	**182,360**	149,102
– Staffs' retirement benefit scheme contributions	**11,698**	10,275
Total staff costs	**202,003**	162,795
Less: amount capitalised in intangible assets	**(23,724)**	(17,243)
amount capitalised in contract costs	**(511)**	(730)
Staff costs recognised in profit or loss	**177,768**	144,822
Depreciation of property and equipment	**2,826**	3,646
Depreciation of right-of-use assets	**14,789**	13,816
Depreciation of investment property	**883**	442
Amortisation of intangible assets	**14,099**	10,753
Total depreciation and amortisation	**32,597**	28,657
Less: amount capitalised in intangible assets	**(7)**	(21)
amount capitalised in buildings under construction	**(1,079)**	–
Depreciation and amortisation recognised in profit or loss	**31,511**	28,636
Research and development costs *(note ii)*	**24,729**	18,636
Auditor's remuneration	**3,620**	3,620
Materials cost recognised as an expense	**21,125**	28,595
Donation	**3,039**	703

Notes:

(i) During the year ended 31 December 2022, the options granted to directors failed to satisfy a vesting condition other than a market condition and did not vest, which result in a reversal of RMB2,778,000 in the share-based payment expenses.

12. DIVIDENDS

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

	2023	2022
	HK$'000	*HK$'000*
2022 final – HK7.5 cents (2022: 2021 final – HK7.5 cents) per share	**74,150**	75,215

	2023	2022
	RMB'000	*RMB'000*
Shown in the consolidated financial statements	**67,861**	64,712

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of HK26.9 cents (2022: HK7.5 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:

	2023	2022
	RMB'000	*RMB'000*
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**268,246**	219,399

	2023	2022
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**985,236**	1,003,517
Effect of dilutive potential ordinary shares:		
Share options/RSU Scheme	**607**	742
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**985,843**	1,004,259

As at 31 December 2023, the gross carrying amount of supply chain assets of RMB2,551,000 is past due (31 December 2022: RMB4,453,000). When analysing the credit quality of supply chain assets at FVTOCI, the entire outstanding of balance of the supply chain assets is classified as past due in the event that instalments repayment of a supply chain asset at FVTOCI is past due.

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):

	31/12/2023	31/12/2022
	RMB'000	*RMB'000*
Past due by:		
0 – 30 days	**1,743**	–
31 – 60 days	**808**	2,177
61 – 90 days	**–**	2,276

19. LOAN RECEIVABLE

	31/12/2023	31/12/2022
	RMB'000	*RMB'000*
Carrying amount receivable based on maturity set out in the loan agreement:		
– within one year	**–**	164,000
Less: ECL allowance	**–**	–
	–	164,000

21. TRADE AND OTHER PAYABLES

	31/12/2023	31/12/2022
	RMB'000	*RMB'000*
Settlement payables to customers and funding providers	**96,713**	84,649
Accrued charges	**71,889**	34,489
Other tax payables	**57,370**	44,695
Dividend payable to a non-controlling shareholder of a PRC subsidiary	**28,484**	–
Construction payables	**16,242**	2,525
Deposits from digital financing solutions customers	**14,975**	157,261
Trade payables	**5,929**	4,489
Dividend payable to shareholders of the Company	**1,852**	1,675
Security deposit for a loan receivable	**–**	164,000
Other payables and deposits	**1,298**	502
	294,752	494,285

22. LIABILITIES ARISING FROM GUARANTEE CONTRACTS

	31/12/2023			31/12/2022		
	Premium less accumulated amortisation	**ECL provision**	**Carrying amount**	Premium less accumulated amortisation	ECL provision	Carrying amount
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Guarantee contracts in relation to:						
– third parties	**21,412**	**26,413**	**28,495**	13,635	23,911	25,196
– associates	**764**	**3,687**	**3,899**	661	342	695
	22,176	**30,100**	**32,394**	14,296	24,253	25,891
Analysed for reporting purposes as:						
Current	**22,176**	**28,784**	**31,078**	14,296	24,253	25,891
Non-current	**–**	**1,316**	**1,316**	–	–	–
	22,176	**30,100**	**32,394**	14,296	24,253	25,891

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.

	31/12/2023	31/12/2022
	RMB'000	*RMB'000*
Guarantee contracts in relation to:		
– third parties	**2,524,784**	2,216,570
– associates	**2,109,247**	145,430
	4,634,031	2,362,000

23. BORROWINGS

	31/12/2023	31/12/2022
	RMB'000	*RMB'000*
Bank borrowings and bills discounted	**3,560,764**	3,166,919
ABS issued	**1,228,265**	1,108,513
Bank loans under supplier finance arrangements	**368,012**	207,630
Entrusted loans	**224,668**	150,392
Other loans	**838,277**	1,606,856
	6,219,986	6,240,310
Secured	**5,589,532**	5,372,246
Unsecured	**630,454**	868,064
	6,219,986	6,240,310
The carrying amounts of the above borrowings are repayable*:		
– within one year	**4,673,232**	4,443,604
– within a period of more than one year but not exceeding two years	**1,360,957**	932,397
– within a period of more than two years but not exceeding five years	**185,797**	813,792
	6,219,986	6,189,793
The carrying amounts of the above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
– within one year	**–**	50,517
	6,219,986	6,240,310
Less: Amounts due within one year shown under current liabilities	**(4,673,232)**	(4,494,121)
Amounts shown under non-current liabilities	**1,546,754**	1,746,189

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

24. OTHER FINANCIAL LIABILITIES AT FVTPL

EVENT AFTER THE REPORTING PERIOD

Subsequent to 31 December 2023, on 28 February 2024, the Company entered into a Collaboration Agreement with Ì | 9 Ä ³ - ì * ¾ M # Þ " (Wuxi Taihu New City Asset Management Co., Ltd.*) ("**Wuxi Taihu New City**"), Ì | 7 – 8 - # Þ " ® ! (Wuxi Guojin Commercial Factoring Co., Ltd.*) ("**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 announcement dated 28 February 2024 and 20 March 2024.

In March 2024, the Group de-registered • ' v Q Y 8 - # Þ " ® ! (Khorgos Yong Zhuo Factoring Limited*).

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, 21 March 2024

As at the date of this announcement, the Board comprises two Executive Directors: Mr. Tung Chi Fung and Mr. Chen Jen-Tse; one Non-executive Director: Mr. Lo Wai Hung; and four Independent Non-executive