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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

2025 Interim Review

SY Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**SY**") is a data-intelligent technology company specializing in "AI + Industrial Supply Chain". While deeply rooted in national pillar industries such as infrastructure, pharmaceuticals, and commodities, the Group is also actively expanding into strategic emerging sectors such as e-commerce, robotics, and artificial intelligence ("**AI**") applications. Through its self-developed, AI-driven industrial intelligence platform "SY Cloud Platform" (the "**Platform**"), the Group empowers small and medium enterprises (the "**SMEs**") by addressing their order fulfillment and working capital needs for supply chain operations, facilitating their growth and operational efficiency. Under the Group's platform-driven strategy, the scaled commercialization of AI Agent under the "AI+" initiative has significantly driven the growth of platform-based technology services. Meanwhile, the performance of the Group's associated companies also improved notably, benefiting from strong shareholders' support and synergistic resources. For the six months ended 30 June 2025:

- The Group achieved a net profit of approximately RMB203.0 million, reflecting a significant year-on-year increase of approximately 22.9%;

- The Group recorded total revenue and income from principal activities of approximately RMB405.1million, representing a slight year-on-year decrease of approximately 7.1%;

- The Group recorded share of results of associates of approximately RMB79.0 million, representing a significant year-on-year increase of 94.1%.

The Group harnesses cutting-edge technologies such as AI Agent to seamlessly integrate with the Tgh5e AI ntras2nue of

BUSINESS OUTLOOK AND PROSPECTS

Amidst the ongoing transformation of the global order and deepening restructuring of global supply chains, the internationalisation of SMEs continues to face mounting challenges such as exchange rate volatility, low payment efficiency, and high barriers to market access. In response, the Group has recently established its international headquarters in Singapore to further expand its presence in international markets and explore innovative application scenarios in Web3.0 and stablecoins.

- **International Expansion Initiatives:**

  The Group has formed a strategic partnership through investment in Dada Xinbada (Guangzhou) Technology Co., Ltd. (the "**Xinbada**"), a core supplier of SHEIN. This partnership supports the construction of flexible and intelligent manufacturing facilities in key overseas markets which include Turkey, Southeast Asia, and Morocco. Meanwhile, by leveraging Xinbada's industrial ecosystem–which serves major cross-border e-commerce platforms such as SHEIN, Temu, Cider, and PatPat–the Group aims to accelerate its global expansion of apparel industrial clusters in China.

  In addition, the Group has partnered with the largest integrated logistics provider in the Philippines and completed its first international working capital facilitation transaction. Leveraging its global market resources and platform connectivity capabilities, the Group also aims to support pharmaceutical core enterprises, in securing and delivering export orders of Chinese herbal products.

- **Exploration of Web3.0 and Stablecoin Innovation:**

  As a fiat-pegged emerging settlement tool, stablecoins leverage blockchain's peer-to-peer transmission capabilities to enable near-instantaneous clearing and reduce payment costs to as low as 0.1%. The Group plans to explore the compliant and innovative application of stablecoins in its international working capital facilitation services to enhance capital turnover efficiency, lower international payment costs, and hedge against foreign exchange risks – ultimately delivering an optimised "abundant, fast, high-quality and cost-effective" customer experience. These initiatives are expected to facilitate global market entry for SMEs across the Asia-Pacific region. For further details, please refer to the Company's voluntary announcements dated 29 July 2025 and 8 August 2025.

Platform-based technology services

The Group's platform-based technology services, powered by the SY Cloud Platform, connect the industrial ecosystem with financial institutions. By leveraging advanced technology-driven models, the Platform provides comprehensive sales and supply chain management solutions to enterprise clients, effectively addressing their order acquisition and working capital needs. Revenue from the platform-based technology services significantly increased by 37.0% year-on-year to approximately RMB210.6 million for the six months ended 30 June 2025, compared to approximately RMB153.8 million for the corresponding period of last 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 clients to access supply chain working capital solutions through the Platform's network of external funding partners.

In addition, the Group has continued to strengthen its differentiated service service

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 94.1% year-on-year, rising from RMB40.7 million for the six months ended 30 June 2024 to RMB79.0 million for the six months ended 30 June 2025.

Expenses

The following table sets forth the comparative figures of the principal components of the operational expenses for the six months ended 30 June 2025 and 2024.

	Six months ended 30 June		
	2025	2024	
	RMB'000	*RMB'000*	Year-on-year
Staff Costs	**73,708**	69,127	6.6%
Depreciation and amortisation	**19,057**	15,003	27.0%
Other operating expenses	**30,393**	24,108	26.1%
Total	**123,158**	108,238	13.8%

The Group's total operational expenses increased by 13.8% year-on-year to RMB123.2 million for the six months ended 30 June 2025, compared to RMB108.2 million for the six months ended 30 June 2024, mainly due to the increase in other operating expenses of RMB6.3 million.

The operational cost-to-income ratio for the six months ended 30 June 2025 was 30.4% when compared with 24.8% for the six months ended 30 June 2024, excluding material costs and one-time expenses.

Net profit

Net profit in the first half year of 2025 was RMB203.0 million, an increase of RMB37.9 million or 22.9% year-on-year, compared to RMB165.1 million for the six months ended 30 June 2024.

Adjusted net profit

Adjusted net profit increased by 22.6% year-on-year to RMB203.5 million for the six months ended 30 June 2025, compared to RMB166.0 million for the six months ended 30 June 2024.

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, gain from 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 30 June 2025 were RMB3,166.4 million, a 44.6% decrease year-on-year. Daily average balance of self-funded supply chain assets over the six months ended 30 June 2025 was RMB4,004.9 million, a 35.8% decrease over the six months ended 30 June 2024 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 half year of 2025 was 8.4%, which was 0.1 percentage points higher 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 30 June 2025, 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 RMB22.7 million were secured by certain commercial acceptance bills received from customers, while as of 31 December 2024, the supply chain assets of RMB217.1 million were secured by certain commercial acceptance bills received 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 30 June 2025, there were a total of 6,894 (31 December 2024: 5,125) outstanding supply chain assets obtained by the Group, out of which 179 (31 December 2024: 173) supply chain assets are referred to as sizeable loans with principal amount exceeds RMB10 million, 543 (31 December 2024: 343) supply chain assets with principal amount between RMB1 million and RMB10 million, 6,172 (31 December 2024: 4,609) supply chain assets with principal amount less than RMB1 million.

- ***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

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING

During the six months ended 30 June 2025, the Group's main source of funds was the cash generated from its daily operations and proceeds from new borrowings. As at 30 June 2025, the Group had cash and cash equivalents of RMB712.8 million (31 December 2024: RMB515.6 million), of which 92.2% and 7.7% were denominated in RMB and HKD respectively. Net cash from operating activities was RMB3,559.5 million in the first half of 2025 (for the six months ended 30 June 2024: RMB574.6 million), with a year-on-year increase of RMB2,984.9 million, mainly due to the increase in net cash received from supply chain assets at FVTOCI.

The Placement in 2025

On 13 May 2025 (after the trading hours), the Company and Guotai Junan Securities (Hong Kong) Limited (the "**2025 Placement Agent**") entered into a placement agreement pursuant to which the Company

Use of proceeds from the 2021 Placement and 2025 Placement

During the year ended 31 December 2021, 2022, 2023, 2024 and six months ended 30 June 2025, details of the use of proceeds of the 2021 Placement and 2025 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)	Actual use of net proceeds during the year ended 31 December 2024 (Approximately HK$ million)	Actual use of net proceeds during the six months ended 30 June 2025 (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	41.4	67.6	The amount of expansion and development of the Group's supply chain technology services segment had been fully utilised.
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.
Accelerating platform-based tech service expansion focused on innovation-driven sectors (e.g., e-commerce, AI, robotics, cross-border business) via ecosystem data integration, investment incubation, order matching, and working capital support, while boosting R&D in "SY Cloud Platform" intelligent upgrade and industrial data-based AI application development/ commercialisation	167.0	–	–	–	–	167.0	The amount of accelerating platform-based tech service expansion focused on innovation-driven sectors (e.g., e-commerce, AI, robotics, cross-border business) via ecosystem data integration, investment incubation, order matching, and working capital support, while boosting R&D in "SY Cloud Platform" intelligent upgrade and industrial data-based AI application development/ commercialisation had been fully utilised.
Other general working capital purposes	41.7	–	–	–	–	17.5	The remaining unutilised amount of approximately HK$24.2 million will be used for other general working capital purposes and is expected to be fully utilised by 31 December 2025.

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.

SUPPLEMENTAL INFORMATION IN RELATION TO THE ACQUISITION OF ALL THE ISSUED SHARES OF GREAT STYLE HOLDINGS LIMITED SET OUT IN THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Reference is made to the annual results announcement of the Company dated 17 March 2025 and the annual report of the Company for the year ended 31 December 2024 published on 23 April 2025 (the "**Annual Report**"). Capitalised terms used hereinafter shall have the same meanings as those defined in the Annual Report unless the context requires otherwise.

The Company would like to clarify and provide supplemental information to the Annual Report in relation to the adjusted net profit of Great Style Holdings Limited (the "**Target Company**").

In the 2nd paragraph of page 23 of the Annual Report under the heading "Material Acquisitions and Disposals of Subsidiaries and Associates", it was disclosed that "As of 31 December 2024, the adjusted net profit of the Target Company was approximately RMB47.4 million,".

The Company would like to clarify that as of 31 December 2024, the audited net profit of the Target Company was approximately RMB47.4 million. After deducting the fair value gains and losses of

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

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

For the six months ended 30 June 2025, 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 the provisions set out in Appendix C3 of the Listing Rules. Having made specific enquiries of all the Directors, all the Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions adopted by the Company during the period from the Listing Date to the date of this announcement.

CHANGES IN INFORMATION OF DIRECTORS

During the six months ended 30 June 2025, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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/she may incur in or about the execution of the duties of his/her 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 the 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 first half of 2025.

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 six months ended 30 June 2025 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 C 1 to the Listing Rules and the associated Listing Rules (the "**CG Codeociated Listing**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue from platform-based technology services	*4*	**210,641**	153,779
Income from digital financing solutions	*4*	**194,021**	275,038
Gain on refinancing of supply chain assets upon derecognition	*4*	**428**	7,233
Revenue and income from principal activities		**405,090**	436,050
Other income		**28,021**	38,165
Other gains and losses	*5*	**(5,443)**	27,153

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	NOTE	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Profit for the period	*8*	**202,959**	165,126
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**")		**2,443**	381
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(226)**	54
Fair value loss, net of ECL and reclassification of FVTOCI reserves upon derecognition on:			
– supply chain assets at FVTOCI		**(833)**	(1,058)
Income tax relating to items that may be reclassified subsequently		**212**	265
Share of other comprehensive income of associates, net of related income tax		**–**	173
Reclassification of FVTOCI reserve upon disposal of subsidiaries, net of related income tax		**–**	3,145
		(847)	2,579

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

	NOTES	**30.6.2025** ***RMB'000*** **(Unaudited)**	31.12.2024 *RMB'000* (Audited)
Non-current assets			
Property and equipment		**247,283**	159,452
Right-of-use assets		**88,346**	91,733
Investment property		**29,729**	30,170
Goodwill		**464,965**	464,965
Intangible assets		**259,840**	263,042
Investments in associates	*11*	**1,524,606**	1,504,285
Deferred tax assets		**2,591**	4,587
Other financial assets at fair value through profit or loss ("**FVTPL**")	*12*	**542,196**	470,450
Supply chain assets at FVTOCI	*14*	**1,027**	2,049
Equity instruments at FVTOCI		**107,931**	62,711
Trade and bill receivables		**9,414**	13,823
Other receivables, prepayments and others		**512,848**	18,534
		3,790,776	3,085,801
Current assets			
Derivative financial instruments		**4,386**	14,189
Other financial assets at FVTPL	*13*	**196,678**	339,760
Supply chain assets at FVTOCI	*14*	**3,165,374**	4,889,258
Loans to an associate		**198,850**	198,201
Loan receivable		**466,522**	–
Receivables from refinancing of supply chain assets upon derecognition		**–**	4,128
Receivables from guarantee customers		**3,271**	6,084
Trade and bill receivables		**40,818**	37,760
Other receivables, prepayments and others		**109,544**	106,337
Contract costs		**981**	385
Time deposits		**40,960**	–
Pledged bank deposits		**1,814,762**	1,401,405
Cash and cash equivalents		**712,791**	515,614
		6,754,937	7,513,121

	NOTES	**30.6.2025** ***RMB'000*** **(Unaudited)**	31.12.2024 *RMB'000* (Audited)
Current liabilities			
Loans from related parties		**1,898,639**	2,236,530
Trade and other payables	*16*	**1,516,367**	465,813
Derivative financial instruments		**–**	5,529
Contract liabilities		**135,701**	73,326
Income tax payable		**53,141**	40,532
Liabilities arising from guarantee contracts	*17*	**53,675**	59,981
Borrowings	*18*	**2,660,748**	2,716,219
Other financial liabilities at FVTPL	*13*	**319,449**	273,336
Lease liabilities		**5,682**	10,208
		6,643,402	5,881,474
Net current assets		**111,535**	1,631,647
Non-current liabilities			
Derivative financial instruments		**3,018**	–
Liabilities arising from guarantee contracts	*17*	**4,259**	4,133
Borrowings	*18*	**182,674**	183,301
Other financial liabilities at FVTPL	*13*	**–**	295,465
Lease liabilities		**–**	531
Deferred tax liabilities		**136,327**	119,636
		326,278	603,066
Net assets		**3,576,033**	4,114,382
Capital and reserves			
Share capital	*19*	**8,735**	8,547
Reserves		**3,524,718**	4,062,046
Equity attributable to owners of the Company		**3,533,453**	4,070,593
Non-controlling interests		**42,580**	43,789
Total equity		**3,576,033**	4,114,382

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

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

4. REVENUE AND INCOME FROM PRINCIPAL ACTIVITIES

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

Revenue and income from principal activities for the period 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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Technology service for loan facilitation	**97,825**	100,997
Referral service	**92,577**	50,913
Digital ecosystem services	**12,517**	–
Technology service for asset-backed securitisation ("ABS") products	**3,561**	1,038
AI-powered information services	**427**	–
Other services	**3,734**	831
	210,641	153,779

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time		
– Technology service for loan facilitation	**97,825**	100,997
– Digital ecosystem services	**12,517**	–
– Other services	**3,734**	831
	114,076	101,828
A point in time		
– Referral service	**92,577**	50,913
– Technology service for ABS products	**3,561**	1,038
– AI-powered information services	**427**	–
	96,565	51,951
	210,641	153,779

(ii) Income from digital financing solutions

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income from supply chain assets	**169,122**	257,652
Guarantee income	**24,251**	16,469
Interest income from contracts containing significant financing components	**648**	917
	194,021	275,038

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

For the six months ended 30 June 2025 and 2024, 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.

5. OTHER GAINS AND LOSSES

	G226	
	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net (loss) gain from changes in fair value of financial assets and financial liabilities at FVTPL	**(2,877)**	30,006
Gain on disposal of subsidiaries	**–**	5,177

7. TAXATION

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax	**47,846**	65,801
– Withholding tax levied on dividend declared of a PRC subsidiary	**1,246**	–
– Withholding tax levied on interest income of a Hong Kong subsidiary	**20**	65
	49,112	65,866
Deferred tax	**18,899**	(3,889)
	68,011	61,977

8. PROFIT FOR THE PERIOD

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9. DIVIDENDS

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*HK$'000*
	(Unaudited)	(Unaudited)
2024 final – RMB34.7 cents (2024: 2023 final – HK26.9 cents) per share	**349,504**	262,893
2025 special dividend – RMB59.6 cents (2024: nil) per share	**601,149**	–
	950,653	262,893

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Shown in the condensed consolidated financial statements	**950,653**	239,333

10. 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:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**199,841**	155,322

	Six months ended 30 June	
	2025	2024
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**980,234**	979,697
Effect of dilutive potential ordinary shares:		
Share options/RSU Scheme	**3,837**	260
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**984,071**	979,957

11. INVESTMENTS IN ASSOCIATES

Details of the Group's investments in associates are as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cost of investments in associates, unlisted	**1,373,450**	1,373,450
Share of post-acquisition profit, net of dividends received	**151,156**	130,835
	1,524,606	1,504,285

12. OTHER FINANCIAL ASSETS AT FVTPL

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Unlisted investment funds	**466,646**	437,077
Wealth management products	**97,305**	65,390
Equity tranche	**96,201**	230,522
Unlisted equity investments	**75,550**	75,550
Trust fund	**3,172**	1,671
	738,874	810,210
Analysed for reporting purposes as:		
Current assets	**196,678**	339,760
Non-current assets	**542,196**	470,450
	738,874	810,210

13. OTHER FINANCIAL LIABILITIES AT FVTPL

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Deferred contingent consideration	**98,843**	494,685
Structured notes	**220,606**	74,116
	319,449	568,801
Analysed for reporting purposes as:		
Current liabilities	**319,449**	273,336
Non-current liabilities	**–**	295,465
	319,449	568,801

14. SUPPLY CHAIN ASSETS AT FVTOCI

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Supply chain assets at FVTOCI	**3,166,401**	4,891,307
Analysed for reporting purposes as:		
Current assets	**3,165,374**	4,889,258
Non-current assets	**1,027**	2,049
	3,166,401	4,891,307

As at 30 June 2025, the effective interest rates of the supply chain assets at FVTOCI range mainly from 6.00% to 15.50% (31 December 2024: 5.00% to 15.50%) per annum.

16. TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Dividend payable to shareholders of the Company	**601,489**	346
Settlement payables to customers and funding providers	**554,707**	290,447
Security deposit for a loan receivable	**210,000**	–
Construction payables	**65,003**	41,571
Other tax payables	**49,082**	55,501
Accrued charges	**29,156**	70,435
Trade payables		

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

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Guarantee contracts in relation to:		
– third parties	**4,538,666**	4,498,693
– associates	**7,025,489**	7,427,110
	11,564,155	11,925,803

18. BORROWINGS

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank borrowings and bills discounted	**2,562,222**	2,079,146
Entrusted loans	**144,304**	290,968
Other loans	**136,896**	529,406
	2,843,422	2,899,520
Secured	**2,217,126**	2,191,687
Unsecured	**626,296**	707,833
	2,843,422	2,899,520

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
The carrying amounts of the above borrowings are repayable*:		
– within one year	**2,523,730**	2,716,219
– within a period of more than one year but not exceeding two years	**47,796**	174,569
– within a period of more than two years but not exceeding five years	**30,000**	8,732
– Within a period of more than five years but not exceeding ten years	**104,878**	–
	2,706,404	2,899,520
The carrying amounts of the above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
– within one year	**137,018**	–
	2,843,422	2,899,520
Less: Amounts due within one year shown under current liabilities	**(2,660,748)**	(2,716,219)
Amounts shown under non-current liabilities	**182,674**	183,301

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

19. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of shares	Share capital *HK$*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2024, 1 January 2025 and 30 June 2025 (unaudited)	5,000,000,000	50,000,000

	Number of shares	Share capital *HK$*
Issued:		
At 1 January 2024 (audited)	989,750,000	9,897,500
Repurchase and cancellation of shares	(1,343,000)	(13,430)
At 31 December 2024 (audited)	988,407,000	9,884,070
Issue of new shares from placing	17,480,000	174,800
Exercise of share options	2,752,792	27,528
At 30 June 2025 (unaudited)	1,008,639,792	10,086,398

	30 June 2025 ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Shown in the condensed consolidated statement of financial position	**8,735**	8,547

On 13 May 2025, the Company and Guotai Junan Securities (Hong Kong) Limited (referred to as the "Placing Agent") entered into a placing agreement. An aggregate of 17,480,000 ordinary shares issued by the Company have been placed by the Placing Agent on 20 May 2025 at HK$11.99 per share with the net proceeds of HK$209.2 million (equivalent to RMB194.2 million, net of transaction cost amount of HK$0.4 million (equivalent to RMB0.3 million)). Details are set out in the Company's announcements dated 13 May 2025 and 20 May 2025.

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

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, 15 August 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$1.10 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.