



YANGZIJIANG  
FINANCIAL

ANNUAL REPORT  
**2022**

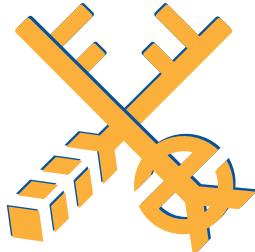


**TRANSITION WITH PURPOSE**

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## CORPORATE PROFILE



The Group aims to create a more diversified portfolio across asset classes and geographies to maximise risk-adjusted returns.

Over the long term, the Group intends to re-allocate 50% of its investment to investments beyond China.



### ABOUT

Yangzijiang Financial (YZJFH) is an asset manager that seeks to achieve capital appreciation and investment income through its investment management arm, while generating recurring fee-based income from managing third party investment funds and provision of wealth management services.

YZJFH is the spin-off of the investment arm of Yangzijiang Shipbuilding (Holdings) Ltd, one of the largest and most reputable shipbuilding companies in the world. Since 2008, Yangzijiang Shipbuilding has been deploying its deep capital reserves and excess cash into debt investments, and fund investments primarily focused on China.

Following the spin-off of YZJFH on the mainboard of SGX-ST in April 2022, YZJFH will have more flexibility to expand our investment portfolio, grow our global footprint, and access various investment opportunities.



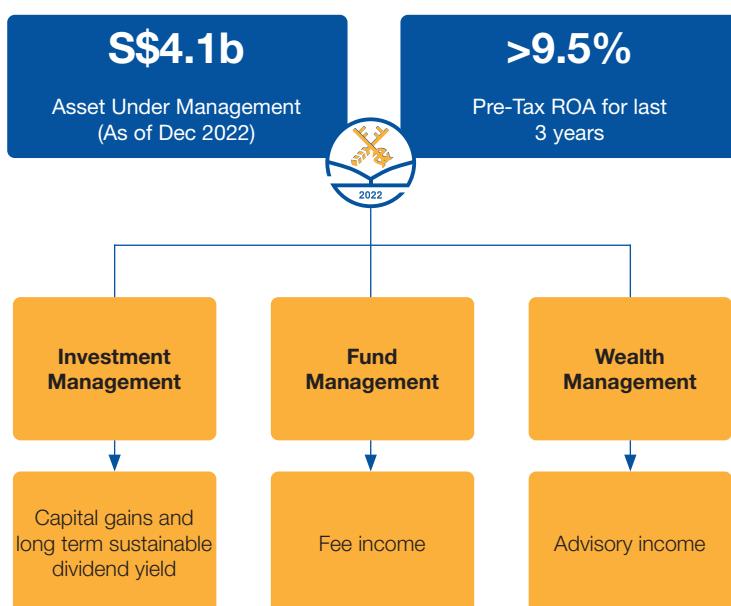
### VISION

- A leading investment manager in Asia, focusing on sustainable long-term value creation



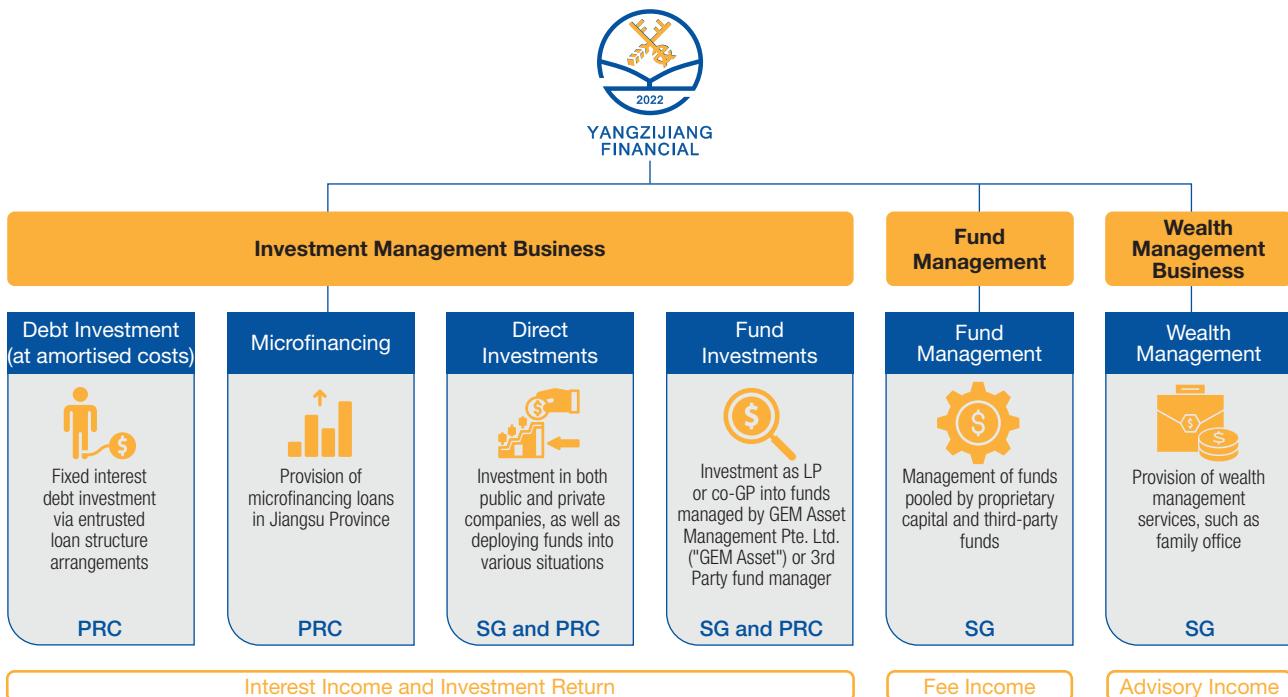
### MISSION

- Invest in growth opportunities
- Achieve attractive risk-adjusted return
- Provide stable stream of dividends to shareholders through income generated from investment and fund management businesses



## CORPORATE PROFILE

### BUSINESS SEGMENTS



### BUSINESS SEGMENTS

#### IN CHINA



##### CLEAN ENERGY

Provide ship financing for ship building projects that utilise clean energy (E.g. Liquified Natural Gas)

##### CAPITAL MARKETS IN CHINA



Pre-IPO  
Share placements  
Mezzanine financing

##### LOGISTICS FOR THE MINING SECTOR



In discussions with local authorities to provide financing for logistics investments for upcoming mining projects in China

#### GLOBAL



##### MARITIME FUND

Ship financing and the facilitation of sales and leaseback of vessels  
Investments in vessels  
Ship chartering business

#### BEYOND CHINA



##### CAPITAL MARKETS OUTSIDE CHINA

Direct investments  
Fund investments  
Wealth management  
Fund management

## CORPORATE PROFILE

### FUND AND WEALTH MANAGEMENT

To generate fee income and advisory income

Wealth Management	AUM
Signed an agreement to provide investment advisory services for a family office	S\$500m
Fund Management	AUM
ICH Gemini Asia Growth Fund	S\$120m (US\$86m) • Fund term has been extended to June 2023
GEM Tech Holding VCC	S\$217m (US\$155m) – Expected • US\$1m committed
Golden Ox Fund VCC	S\$36m (US\$26m) – Expected • US\$2m committed
GEM Growth Fund	S\$100m – (Initial Expected Fund Size) • S\$80m from YZJFH • S\$20m to be raised from other parties
• Maritime Fund	S\$349m (US\$250m) – (Initial Expected Fund Size) • US\$100m from YZJFH; US\$150m to be raised from other parties

With the Group's deep domain knowledge of the maritime industry and investment management in China, the Group is well-positioned to tap into its industry know-how and network in China to reposition its existing portfolio. In August 2022, the Group announced the setting up of a maritime fund with an initial target fund size of up to US\$250 million.

#### Fund Objective:

Generate a stable stream of income and attractive returns through investments in maritime assets (including vessels) for the purpose of leasing, chartering and/or sale, and provide financing to small to medium sized shipping companies

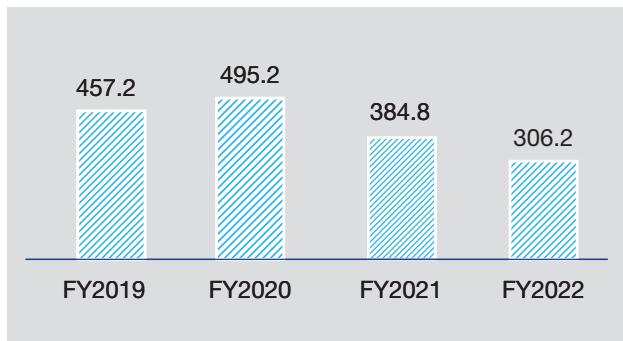
#### Target Assets

- Oil Tankers
- Gas Carriers
- Bulk Carriers
- Containerships
- Wind/LNG/LPG/Methanol/Ethan/Hydrogen/Ammonia/Biofuel/Hybrid Assisted/Powdered Ships

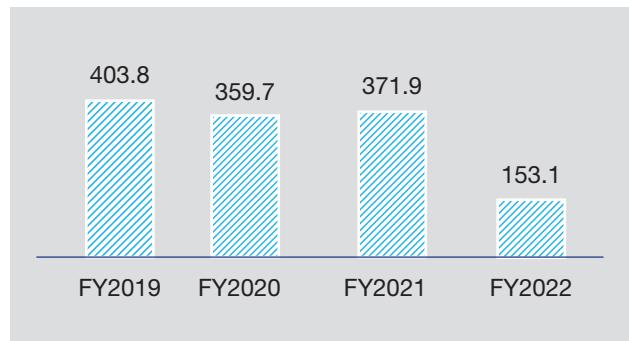


## FINANCIAL HIGHLIGHTS

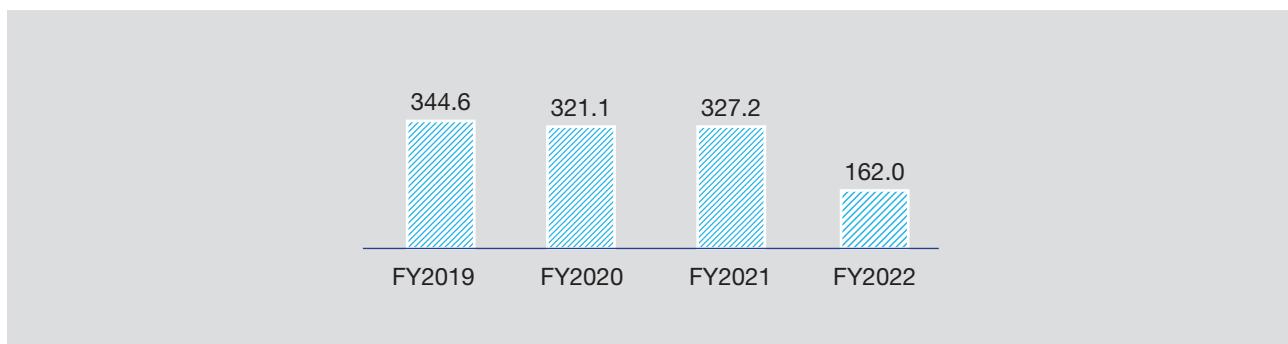
**REVENUE (S\$m)**



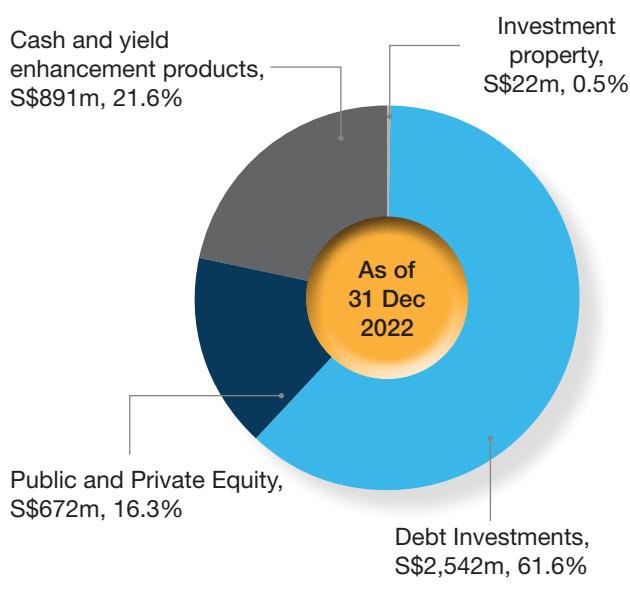
**PROFIT AFTER ALLOWANCES (S\$m)**



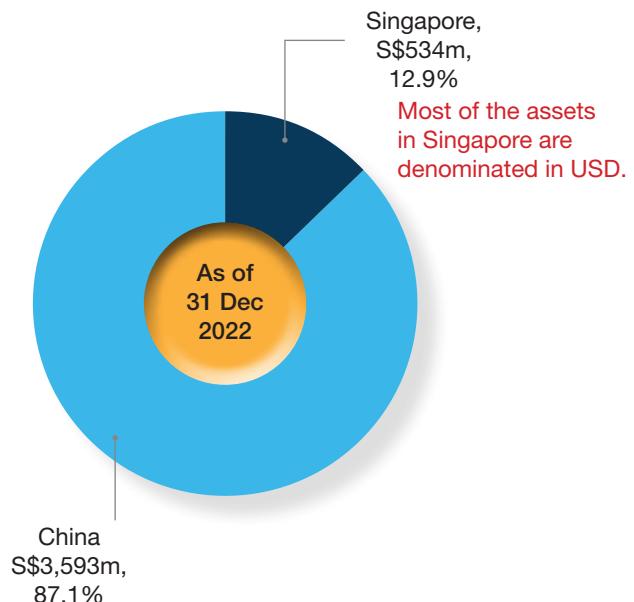
**NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (S\$m)**



**PORTFOLIO ALLOCATION BY RISK PROFILE AND ASSET CLASSES**



**PORTFOLIO ALLOCATION BY GEOGRAPHY**



## CHAIRMAN'S STATEMENT



### Dear Shareholders

### 2022 Milestones

It is my privilege to address you as the Executive Chairman of Yangzijiang Financial Holding Ltd ("YZJFH"). 2022 was a monumental year for us, where we achieved several key milestones. The first was successfully spinning off YZJFH as a separate listed entity from Yangzijiang Shipbuilding (Holdings) Ltd on the Mainboard of the Singapore Exchange. This has enabled YZJFH to pursue its goal of becoming a leading investment manager in Asia, delivering sustainable growth and unlocking value for shareholders. A second milestone included beefing up our talent pool by building a team of approximately 80 seasoned professionals across China and Singapore, as we expanded our fund and wealth management operations in the region to generate additional sources of recurring income. Yet another notable achievement was reducing our debt investments in China to approximately 59% of our total portfolio, and moving 13% of the Group's assets to Singapore for investments outside of China, as at 31 Dec 2022.

### Spin-off Enhances Value Creation

Following the spin-off from our original shipbuilding operations, YZJFH began its journey as a separate company in 2022 on a strong footing. The spin-off enables our investment management businesses to deliver sustained, long-term growth and returns for investors. The Group benefits from a sharpened operational focus, as well as customised

capital allocation decisions in line with distinct strategies and industry-specific dynamics. This provides YZJFH with the strategic and financial flexibility to pursue international growth opportunities, while a dedicated board of directors and highly experienced management team will ensure strong governance, transparency, as well as the availability of deep domain expertise.

### Diversifying Beyond China

Prior to the spin-off, the Group has primarily been focused on investments in China, in particular, debt investments. Following the spin-off, we aim to create a more diversified portfolio across asset classes and geographies to maximise risk-adjusted returns for our shareholders. Over the long-term, we intend to allocate 50% of our funds to investments in China and the remainder to investments beyond China. This repositioning strategy will help us to diversify our exposure and credit risk arising from microfinancing and entrusted loans across different asset classes and geographical markets.

To further broaden the Group's scope of business, we continue to extend our focus beyond China into the broader Asia-Pacific region by using Singapore as a base to capture fresh growth opportunities. Ultimately, our goal is to become an international player in the investment, fund and wealth management space. With relevant structures and policies already in place following a transition year in 2022, we are confident that YZJFH is now poised for success not only on the regional, but also the global stage.

## CHAIRMAN'S STATEMENT

### Maritime Fund Offers Robust Prospects

Given the depth of our expertise in the maritime industry and investment management, we are well-placed to tap our industry knowhow and extensive network to strengthen our portfolio. In particular, we expect significant opportunities in the global ship financing sector to prevail, and this will likely buoy prospects for our Maritime Fund. We see attractive market conditions for us to target potential clients – these include ship financing and the facilitation of sale and leaseback of vessels.

### Clean Energy Opportunities Abound

Within the global shipping industry, we have observed a surge in demand for green shipbuilding projects that utilise clean energy, such as Liquefied Natural Gas (LNG). We intend to capitalise on our wealth of expertise and strategic affiliation with leading shipbuilders to explore opportunities in this sector to generate steady streams of recurring income.

### Pivoting to New Opportunities in China

While the Group continues on its diversification path by seeking growth avenues beyond China's borders, we are also sharpening our focus to take advantage of potentially lucrative opportunities within the world's second-largest economy. We have identified two main sectors for investment in the country:

- (i) **Capital markets in China:** Opportunities include (a) Chinese companies looking to list in China after being delisted in the US; (b) placement or mezzanine financing opportunities for companies post-listing; and (c) special-situation companies trading at distressed asset valuations. Our broad network in China ideally positions us to secure potentially lucrative growth avenues such as pre-IPO investments and share placements.
- (ii) **Logistics for China's mining sector:** We anticipate long-term demand for logistics providers in the mining sector as China seeks to spur domestic consumption and bolster economic growth. Currently, the Group is in discussions with local authorities to provide financing for logistics investments for upcoming mining projects in the country.

### Cautious Optimism for the Year Ahead

While persistently high inflation and rising interest rates continue to contribute to a cloudy outlook for the global economy, some bright spots support cautious optimism. The International Monetary Fund ("IMF") has raised its world economic growth forecast for the first time in a year, citing resilient US consumer spending and China's reopening. Global gross domestic product is projected to expand

2.9% in 2023, 0.2 percentage point more than earlier estimated, the IMF said in an update to its World Economic Outlook<sup>1</sup> in January 2023. Following China's dismantling of its zero-COVID policy and the reopening of its economy in December 2022, the outlook for the country has improved considerably, with the Chinese government setting a 2023 growth target of around 5%<sup>2</sup>. At the same time, the Asia-Pacific region remains one of the most dynamic regions in the world, with growth set to accelerate to 4.7% this year from 3.8% in 2022, according to the IMF's forecast<sup>3</sup>. Looking ahead, we remain confident that 2023 will be a better year for YZJFH. We will continue to invest selectively in our areas of competence, leveraging on the extensive network and deep domain knowledge that we have built up steadily over the years, to propel the Group to the next stage of growth.

### Establishing ESG Goals

As a steward of capital and a listed company, we strive to meet evolving environmental, social, and governance ("ESG") regulations globally. In FY2022, we started by increasing our investment exposure in funds that encompass sustainability components. Going forward, we intend to integrate ESG into our day-to-day operations through an ESG framework, complete with organisation-wide objectives, policies, and strategies that support the Group in its sustainability efforts. With this in place, we will be well-positioned to generate sustainable value for our stakeholders and contribute to a better future.

### Boosting Shareholder Value

Meanwhile, we will continue to maximise value for shareholders through share buybacks and dividends as a testament to our operational excellence and strong capital position. During the year, we announced a S\$200 million share buyback programme to increase shareholder value and improve the Group's return on equity. The maximum number of shares which may be purchased by the company under the programme amounts to 10% of the issued shares. As of 31 December 2022, the Group has utilised approximately S\$99 million to purchase approximately 6.6% of its outstanding shares. We have also established a dividend policy to pay out at least 40% of the Group's net profit after tax, excluding non-recurring, one-off and exceptional items, as dividends for the next three financial years from FY2022-2024. For FY2022, the Group declared a dividend of 1.80 Singapore cents, representing a payout ratio of 43%.

In conclusion, I am happy and grateful to receive the continued trust and support of our employees, partners, business associates and clients, which have enabled the Group to grow from strength to strength. Together, we look forward to starting the next leg of YZJFH's growth journey, one that will see us penetrating new investment segments, generating long-term sustainable returns, and delivering even greater value for our shareholders.

<sup>1</sup> <https://www.bloomberg.com/news/articles/2023-01-31/imf-raises-world-economic-outlook-for-the-first-time-in-a-year#xj4y7vzkg>

<sup>2</sup> <https://www.cnbc.com/2023/03/05/china-sets-gdp-target-of-around-5percent-for-2023.html>

<sup>3</sup> <https://www.imf.org/en/Blogs/Articles/2023/02/20/asias-easing-economic-headwinds-make-way-for-stronger-recovery>

## CEO'S STATEMENT



### Dear Shareholders

The year 2022 proved to be a challenging one for the global market, with high levels of market volatility and reduced confidence in risk assets across the world. This was mainly due to severe macroeconomic headwinds brought about by various events and developments such as the US-China trade war, the Russian-Ukraine conflict, significant inflationary pressures, and steep increases in global interest rates. Furthermore, China's implementation of a zero-COVID policy and the subsequent lockdowns restricted the growth of the world's second-largest economy, adding to the overall uncertainty in the global outlook. Despite the challenging backdrop, the Group reported a respectable set of results for 2022 – S\$306.2 million in total income and S\$162.0 million in net profit, which were lower year-on-year due to additional allowances made for non-performing investments and loans, in line with the Group's conservative non-performing loan policy.

However, there are bright spots amid uncertainties and the market downturn has presented us with new opportunities. Our strong capital base in both China and Singapore allows to capture such opportunities in the region and beyond.

### Becoming Asia's Leading Investment Manager

Following the successful spin-off listing of Yangzijiang Financial Holdings' ("YZJFH") on the Mainboard of the Singapore Exchange in April 2022, the Group is moving apace to realise its vision of becoming Asia's leading investment manager. Over the long term, we aim to allocate 50% of our funds to investments beyond China. We have also entered into the fund and/or wealth management business to generate recurring fee-based income from managing third-party investment funds and provision of wealth management services, via our capital markets services (CMS)-licensed fund management company in Singapore.

In November 2022, our Group's subsidiaries, Jiangsu New Yangzi Commerce & Trading Co. Ltd and Gao Hong International Limited, were awarded the RMB10 billion liquidity pool scheme by the People's Bank of China with the scheme, we are now able to deploy our capital in and out of China to facilitate our investments both within and outside China in a cost-efficient manner. By consolidating and centralising our cash management activities, we can maximise returns through forex and interest rate differentials while ensuring tax efficiency<sup>1</sup>. This ability to mobilise capital into and out of China, coupled with our strong balance sheet, will enable us to access attractive cross-border investment opportunities, both in China and globally, making it a unique value proposition for our wealth management business.

<sup>1</sup> <https://links.sgx.com/FileOpen/YZJF%20Liquidity%20pool%20PR%201125%20final.ashx?App=Announcement&FileID=739850>

## CEO'S STATEMENT

### Expanding Investment Management Business

In terms of our investment management operations, a total of S\$534 million, representing 13% of the Group's assets as of 31 December 2022, has been committed for deployment outside China. We are also looking to capitalise on the growing economic activity in the dynamic Southeast Asian region through investments via top-tier private equity funds, as well as partnerships with sovereign-linked funds that will broaden the Group's network and access to deals. To achieve this goal, we have partnered with Heliconia Capital Management Pte. Ltd. ("Heliconia") to invest in promising small and medium enterprises ("SMEs") in Singapore and other Southeast Asian countries, with a focus in Singapore and Vietnam. The investments will be made through the Heliconia Generation Fund Limited Partnership ("Fund"), with a target size of up to S\$150 million. As the anchor limited partner of the Fund, YZJFH will contribute S\$80 million to the Fund, which intends to co-invest alongside the other funds managed by Heliconia, including the SME Co-Investment Funds. Investments may be structured in the form of equity, debt and/or hybrid debt-equity structures<sup>2</sup>.

The Group has also set up a new Maritime Fund, with a target assets under management ("AUM") of at least US\$500 million, of which up to US\$200 million will be funded by the Group. This new Fund will tap on the Group's expertise and know-how in the shipping industry to invest in quality assets both in and outside of China. The Maritime Fund aims to generate steady income and returns from investments in maritime assets (including vessels) for the purposes of leasing, chartering and/or sale, and providing financing for small to medium sized shipping companies<sup>3</sup>. Mr Ren Yuanlin, founder of Yangzijiang Shipbuilding and Executive Chairman of Yangzijiang Financial, will personally spearhead this Fund. The Group has also appointed shipping veteran Mr. Alex Yan Zhong Bing ("Mr. Yan") as manager of the Fund<sup>4</sup>. Mr. Yan, who has spent more than two decades of his career in the shipping industry, brings a broad and deep experience of project, asset and structured finance, as well as investment management to the Group, along with technical competency and a deep understanding of the end-to-end shipping and shipbuilding value chain.

### Growing Fund and Wealth Management Operations

In terms of our fund and wealth management business, GEM Asset Management Pte. Ltd., a Singapore-based capital markets services (CMS)-licensed fund management company and wholly owned subsidiary of the Group, has

clinched a deal to provide investment advisory services to a family office. There continues to be strong demand for the set-up of new family offices and funds as well as wealth management services in Singapore, and we believe we will be able to consistently expand our AUM over the long term. Separately, the Group will also set up and manage the GEM Asia Private Fund with a target fund size of S\$200 million. Overall, we see multiple opportunities ahead for Asia's private credit assets ("Asia Private Credit"), following the region's secular growth trends and the required funding needs of Asian corporates, which will gain access to an alternative source of funds, on top of traditional bank lending and capital markets. Asia Private Credit will also be presented as a viable asset class for qualified investors seeking income in tightly structured financing transactions with covenants and security. The private credit market in Asia Pacific has grown significantly over the last few years, with AUM held by private credit fund managers in the region totaling S\$65.6 billion in 3Q2020, according to data from Preqin, which also expects the asset class to expand at a compounded annual growth rate (CAGR) of over 20% by the end of 2025<sup>5</sup>.

We are uniquely positioned to offer attractive risk-adjusted returns for Chinese investors who want exposure outside China and for international investors to access investments in China.

### Building a Strong Talent Pipeline

To realise the Group's vision and goals, we recognise the need to beef up our talent pool and develop a high-performance team. Toward this end, we have been rapidly adding to our headcount, building a team of 80 seasoned professionals across China and Singapore since April 2022. One noteworthy appointment was that of Mr Alvin Chew, the Group's Head of Direct Investments, Global Market ex-China, who has more than two decades of professional experience in direct investments, investment banking and corporate development<sup>6</sup>. Mr Chew previously served as Managing Partner, Head of Strategic Growth Programme and Coordinating Head for China at EDBI Pte. Ltd. ("EDBI"), the investment arm of Singapore's Economic Development Board. Another notable new hire was the appointment of Ms Wu Menglin as the Group's Head of Fund of Funds to lead the due diligence and selection process of the Group's investments in international funds outside of China. Prior to joining YZJFH, Ms Wu had spent 10 years with GIC Private Limited ("GIC") – a sovereign wealth fund that oversees Singapore's foreign reserves – as its Vice President of Private Equity Funds and Co-Investments<sup>6</sup>.

<sup>2</sup> <https://links.sgx.com/FileOpen/press%20release%20Heliconia.ashx?App=Announcement&FileID=739467>

<sup>3</sup> <https://links.sgx.com/FileOpen/YZJF%20Maritime%20Fund-final.ashx?App=Announcement&FileID=728103>

<sup>4</sup> <https://timesofindia.indiatimes.com/blogs/voices/the-private-credit-buzz-is-growing-louder-in-apac/>

<sup>5</sup> <https://links.sgx.com/FileOpen/YZJF%20Head%20of%20Direct%20Investments%20final%201128.ashx?App=Announcement&FileID=740034>

<sup>6</sup> <https://links.sgx.com/1.0.0/corporate-announcements/JIN3AITNMEY23SBD/bdacf7f8bf56e170ebbadfa506fb450dd8c941074e14220effbf0a97e832f48b>

## CEO'S STATEMENT

### Robust Risk Management Strategy

The Group remains committed to maximising value and providing sustainable long-term, risk-adjusted returns to all shareholders. This can only be achieved through diversification across maturities, asset classes and geographies. Risk management is not risk avoidance, and there are ample opportunities in the current environment to express and drive returns within the appropriate risk considerations. To strengthen and solidify our investment risk management structure, we have appointed Mr Chiang Kheng Hong as the Group's Chief Risk Officer (CRO). In his role, Mr Chiang, a veteran banker, will assist in the Group's strategic operations and oversee corporate risk management functions in Singapore, spanning the investment management business, the fund and wealth management business, as well as cash management<sup>7</sup>.

### Opportunities Amidst Crisis

Global asset markets are expected to face volatility and uncertainty in 2023, as persistently high inflation and rising interest rates heighten the risk of recession for some of the world's economies. Despite the cloudy outlook, bright spots still exist. The decline in equity prices over the past year has brought about many attractive opportunities for investing in quality assets. With our strong cash balance, the Group is well-positioned to take advantage of these select opportunities, and we expect to further expand our equity portfolio in capital markets outside China in 2023. For the private equity market, the Group is looking to capitalise on the burgeoning economic activity in Southeast Asia through investments via top-tier private equity funds as well as partnerships with government-linked funds that will broaden the Group's network and access to deals.

### Transition with Purpose

At the time of our listing, we identified potential areas of growth, including private equity, maritime fund, restructuring the company's operations to diversify beyond China, and implementing changes to the company's culture by bringing in world-class talent, among other things.

As we move from one stage to another, our ultimate goal is to create sustainable long-term value for the company and its stakeholders.

We understand that change can be unsettling, but we believe that with purposeful action, we can position our company for long-term success. We are committed to making strategic decisions that prioritize the interests of our shareholders, and we will continue to communicate our progress with transparency.

Thank you for your continued support as we navigate this transition with purpose.

In conclusion, I would like to express our heartfelt appreciation to our business partners and shareholders for their support, trust and cooperation. I would also like to thank our board of directors, management team and all employees for their hard work, commitment and dedication. Together with you, I look forward to further growing our business and celebrating even bigger milestones in the year ahead. The Group will certainly work towards maintaining our business momentum to create sustainable value for all stakeholders.

<sup>7</sup> [https://links.sgx.com/FileOpen/YZJFH\\_Appointment%20of%20CRO%20final%200614.ashx?App=Announcement&FileID=720770](https://links.sgx.com/FileOpen/YZJFH_Appointment%20of%20CRO%20final%200614.ashx?App=Announcement&FileID=720770)

## KEY MILESTONES



24 March 2022

Eligibility to-list (“ETL”) for the listing of all the shares of Yangzijiang Financial Holding Pte. Ltd. (to be renamed Yangzijiang Financial Holding Ltd.) (“YZJFH”)

28 April 2022

Yangzijiang Financial Holding Ltd's admission to the Mainboard of the SGX-ST

28 April 2022

Acquisition of GEM Asset Management Pte Ltd

11 May 2022

Establishment of GEM Asia Growth Fund

11 August 2022

Set up of Maritime Fund

22 November 2022

Partnership with Heliconia Capital to invest in Singapore and Southeast Asian SMEs

25 November 2022

The liquidity pool scheme were bestowed to its wholly-owned Subsidiaries

1 December 2022

New Office Opening at Republic Plaza

## BOARD OF DIRECTORS



### **Ren Yuanlin**

(Aged 69, Chinese)  
Executive Chairman

Mr. Ren Yuanlin ("Mr. Ren") is our Executive Chairman. He was appointed to our Board on 14 December 2021. His responsibilities include providing leadership and governance of the Board so as to create the conditions for the Board's effectiveness, and ensuring that all key and appropriate issues are discussed by the Board in a timely manner. Mr. Ren will also ensure that the Board as a whole plays a full and constructive part in the development and determination of our Group's strategies and policies and that Board decisions taken are in our Group's best interests and fairly reflect the Board's consensus. He will also ensure that the strategies and policies agreed upon by the Board are effectively implemented by the CEO and the management team.

Mr. Ren is also responsible for establishing good corporate governance practices and procedures, and promoting the highest standards of integrity, probity and corporate governance throughout our Group and particularly, at the Board level.

Mr. Ren joined Yangzijiang Shipbuilding (Holdings) Ltd ("YSL") (formerly known as Jiangyin Shiprepairing & Shipbuilding Cooperative) in July 1973 as a construction steel worker in its hull workshop. Mr. Ren has since held various roles in several areas, including technology management and production management, and was appointed as a director of the company in 1985. Mr. Ren was named the President of YSL in January 2007, before YSL became publicly listed on the Mainboard of the SGX-ST in April 2007.

Mr. Ren was awarded the Ernst & Young Entrepreneur Award in 2011. In 2020, Mr. Ren became the Honorary Chairman of YSL.

Mr. Ren holds a Diploma in Economics from Jiangsu Television Broadcasting University which he was conferred in 1986.

### **Toe Teow Heng**

(Aged 55, Singaporean)  
Executive Director, CEO and CIO – Singapore

Mr. Toe Teow Heng ("Mr. Toe") is our Executive Director, CEO and CIO – Singapore. He was appointed to our Board on 27 January 2022 and is a member of our Investment Committee.

As the CEO, Mr. Toe will be responsible for driving the Investment Management Business and Fund/Wealth Management Businesses in Singapore and the PRC. He will develop, propose and implement, with the support of the management, our Group's strategies and policies in pursuit of our Group's objectives. Mr. Toe will also lead the management team in the day-to-day running of our Group's business in accordance with the business plans, and ensure that the management team gives appropriate priority to providing reports to the Board which contain relevant, accurate, timely and clear information necessary for the Board to fulfill its duties. He will also lead the communications programme with our stakeholders, including the Shareholders.

As the CIO – of Singapore, Mr. Toe is responsible for developing, sourcing, executing, managing and monitoring the Investment Management Business, Fund/Wealth Management Businesses and marketing strategies for our Group in Singapore. He will also lead the Singapore team to expand the reach and mission of our Group through new products and services.

Mr. Toe is the Co-Founder of ICH Group Ltd, an investment holding group founded and headquartered in Singapore in 2000. Before joining our Group, he was the Managing Director of ICHAM Pte. Ltd., a Fund management company that holds a CMS license in Singapore.

Mr. Toe has over twenty-five (25) years of experience in Fund management and investment advisory, mergers and acquisitions, initial public offering deals and fundraising, throughout Asia. Prior to joining ICHAM Pte. Ltd., he was an investment banker at UBS AG, DBS Bank Ltd and J.P. Morgan Singapore. He was also a Fund manager of GEM, which specialises in wealth management, private equity and Venture Capital Fund management. Mr. Toe was also involved in the Fund management and investment advisory business activities of ICH-Nikko Antfactory Fund Management Pte Ltd and ICH Asset Management Pte Ltd previously.

Mr. Toe holds a Bachelor of Business (First Class Honours, Gold Medal) Degree from Nanyang Technological University of Singapore, and is a Chartered Financial Analyst.

## BOARD OF DIRECTORS



### **Chew Sutat**

(Aged 50, Singaporean)

*Lead Independent Non-Executive Director*

Mr. Chew Sutat (“Mr. Chew”) is our Lead Independent Non-Executive Director. He was appointed to our Board on 25 March 2022 and is a member of our investment committee.

Mr. Chew was senior managing director and a member of Singapore Exchange Limited’s executive management team for fourteen (14) years. Prior to Singapore Exchange Limited, Mr. Chew held senior roles at Standard Chartered Bank (Singapore) Limited, OCBC Securities Private Limited and DBS Bank Ltd, where he held varying portfolios in strategic planning and business development for institutional banking and private clients.

Mr. Chew co-founded Shan De Advisors Pte. Ltd. and serves as a Non-Executive Board Member of ICHX Tech Pte. Ltd., which operates the ADDX platform in Singapore and holds a CMS license in Singapore. He is a Fellow of Singapore Institute of Directors and the Institute of Banking and Finance Singapore, and was awarded the Global Investor Asia Capital Markets Lifetime Achievement Award in 2021.

Mr. Chew graduated with a Bachelor of Arts (First Class Honours) degree in Philosophy Politics & Economics (PPE) from Oxford University and also holds a Master of Arts degree from Oxford University.

Mr. Chew also serves as Chairman of the Community Chest Singapore.



### **Chua Kim Leng**

(Aged 54, Singaporean)

*Independent Non-Executive Director*

Mr. Chua Kim Leng (“Mr. Chua”) is our Independent Non-Executive Director. He was appointed to our Board on 25 March 2022 and is the Chairman of the Audit and Risk Committee.

Mr. Chua was with the Monetary Authority of Singapore (“MAS”) for twenty-five (25) years and last held the position of Special Advisor (Financial Supervision) before stepping down in 2018. Prior to that, Mr. Chua was the Assistant Managing Director in charge of the Banking & Insurance Group and a member of the MAS Executive Committee. In that role, he was responsible for the licensing and supervision of banks, insurance companies, finance companies and payments intermediaries, as well as for the anti-money laundering supervision of the financial sector.

Mr. Chua currently serves as a member of the board of directors of the Gambling Regulatory Authority of Singapore (retiring on 31 March 2023), United Overseas Insurance Limited, which is listed on the Mainboard of the SGX-ST, and TEHO International Inc Ltd., which is listed on the Catalyst of the SGX-ST. He is also a member of the board of directors of Sygnum Bank AG, which is the world’s first regulated digital asset bank and ICHX Tech Pte. Ltd., which operates the ADDX platform in Singapore and holds a RMO<sup>1</sup> and CMS<sup>2</sup> license in Singapore.

Mr. Chua obtained a Bachelor of Business Administration (Honours) from the National University of Singapore in 1994.

He was awarded the Public Administration Medal by the President of Singapore in 2014 for his contributions to public service.



### **Yee Kee Shian, Leon**

(Aged 47, Singaporean)

*Independent Non-Executive Director*

Mr. Yee Kee Shian Leon (“Mr. Yee”) was appointed as our Independent Non-Executive Director on 25 March 2022 and was also appointed as the Chairman of the Nominating and Remuneration Committees. Mr. Yee is the Chairman of Duane Morris & Selvam LLP. He serves as the Global Head of Corporate, and leads the Banking & Finance, Fintech & Blockchain, Energy and China practice groups.

He has two decades of extensive corporate law expertise and regularly advises ultra-high net worth individuals, private equity funds, investment banks, listed and private companies on corporate finance, venture capital, capital markets, takeovers, cross-border mergers and acquisitions, corporate governance, corporate restructurings, joint ventures, as well as complex financing transactions.

Mr. Yee currently also serves as an independent non-executive director of FJ Benjamin Holdings Ltd, LHN Logistics Limited and Yangzijiang Shipbuilding (Holdings) Ltd, all of which are SGX-ST listed companies. He is a member of the advisory board of Genesis Alternative Venture I L.P., a venture debt fund.

Mr. Yee read Law at Christ’s College, Cambridge University, where he graduated with honours in 2000. He went on to obtain a Master of Arts from Christ’s College, Cambridge University in 2006.

He is an Advocate & Solicitor of the Supreme Court of Singapore and a Solicitor of England and Wales.

<sup>1</sup> RMO: Recognized Market Operator

<sup>2</sup> CMS: Capital Market Services

## KEY MANAGEMENT



**Liu Hua**  
CFO & COO

Ms. Liu Hua ("Ms. Liu") is our CFO and COO. She joined Yangzijiang Shipbuilding (Holdings) Ltd. in November 2007 as Financial Controller and was re-designated as Chief Financial Officer in June 2008. Ms. Liu was re-designated as the CFO and COO of our Company following the completion of the Restructuring Exercise.

As our CFO and COO, Ms. Liu is responsible for the financial management functions, as well as the sourcing and management of funds for our Company. She will oversee matters involving treasury, accounting and capital management. Ms. Liu will also collaborate with our Executive Chairman and the CEO in setting and driving our Group's vision, operational strategy and hiring needs. She will be responsible for driving organisational excellence by overseeing our Group's strategy, structure workflow, processes and business objectives, as well as overseeing operational matters including investment, fund management, investor relations, information technology and strategic planning.

Ms. Liu has extensive experience in finance and corporate finance management. Prior to joining YSL Group in November 2007, she was the financial controller of Global Container Freight Pte. Ltd. and was responsible for the overall financial functions of its subsidiaries in Singapore, the PRC, Taiwan, Malaysia, Myanmar, Cambodia, Thailand and Vietnam.

Ms. Liu graduated from Oxford Brookes University with a Bachelor's Degree in Applied Accounting in 2003. She has been a member of the Institute of Singapore Chartered Accountants since 2004 and was awarded the Chartered Financial Analyst (CFA) designation by the CFA Institute in 2007. Ms. Liu was also admitted as a Fellow Member of the Association of Chartered Certified Accountants in 2009.



**Chiang Kheng Hong**  
Chief Risk Officer

Mr. Chiang Kheng Hong ("Mr. Chiang") has over 25 years of expertise in both buy- and sell-side corporations, achieving success in treasury, financial markets, and risk management.

As CRO, Mr. Chiang oversees the corporate risk management function of the group, responsible for establishing a robust risk framework covering investment risk, market risk, credit risk and operational risk of the firm's overall portfolio. Under the direction of the Audit and Risk Committee, Mr. Chiang will provide effective and independent oversight of both financial and non-financial risk of the Group. Specifically, he will assist the CEO and Board on group risk policy, identification and evaluation of the firm's risk tolerance, and creating strategic plans to mitigate risk.

He formerly served as Standard Chartered Bank's interim regional treasurer in Hong Kong, where he headed the Regional Treasury Division responsible for managing a substantial regional balance sheet encompassing capital, liquidity, and interest rate risk management.

Prior to his tenure at Standard Chartered Bank, Mr. Chiang was the Greater China Head of Market and Liquidity Risk at DBS Bank in Hong Kong, where he managed the market and liquidity risk governance and regulatory compliance of DBS Hong Kong. As a seasoned banker, Mr Chiang has deep knowledge of financial markets in Asia and extensive financial product expertise gained throughout Greater China and South Asia.

Mr Chiang graduated from the Nanyang Technological University with a Master's degree in Business Administration in 1998. He has been awarded certifications in both Financial Risk Manager (FRM) and Professional Risk Manager (PRM).

## KEY MANAGEMENT



**Peng Xingkui**  
CIO – PRC

Mr. Peng Xingkui ("Mr. Peng") is our CIO – PRC, and he joined the YSL Group in April 2015. Following the completion of the Restructuring Exercise, he was re- designated as the CIO – PRC of our Company. His responsibilities include developing, sourcing, executing, managing and monitoring the Debt Investments, Fund Investments and marketing strategies of our Group in the PRC. He will also lead the PRC team to expand the reach and mission of our Group through new products and services.

Mr. Peng has extensive experience in both domestic and foreign investment management. Prior to joining the YSL Group, Mr. Peng worked in the International Business Department of Jiangsu Jiangyin Rural Commercial Bank Co., Ltd from April 2010 to April 2015. From April 2015 to May 2016, he was the Deputy Chief of the Capital Business section of Jiangsu New Yangzi Shipbuilding Co., Ltd. From May 2016 to May 2017 and May 2017 to December 2019, Mr. Peng held the position of Director of the President Office and Investment Director of the Investment Management Department respectively in Jiangsu Yangzijiang Shipbuilding Co., Ltd.. He has been the Head of the Investment Management Department of Jiangsu Yangzijiang Shipbuilding Co., Ltd. since January 2020.

Mr. Peng obtained a Bachelor of Economics (International Economics and Trade) degree from the Shandong University of Finance and Economics in June 2007 and a Master's Degree in Economics (International Trade) from the Nanjing University of Finance and Economics in April 2010.



**Koh Boon Chiao, Barry**  
General Counsel

Mr. Koh Boon Chiao, Barry ("Mr. Koh"), our Group's General Counsel, is responsible for overseeing the legal matters and regulatory compliance with relevant Singapore law and regulations. In this role, he handles legal advisory and management of legal support for the Group's operations in Singapore and ensures compliance with relevant Singapore laws and regulations by putting in place appropriate procedures and processes are in place to implement policies approved by the Board, as well as adequate systems to monitor compliance with such procedures and processes.

Prior to joining our Group, Mr. Koh worked as a senior associate and partner at Dentons Rodyk & Davison LLP from 2010 to 2016. He then served as the Assistant Vice President (Legal) at Parkway Pantai Limited until 2018.

From March 2018 to February 2019, Mr. Koh was the Head of Legal at TenX Pte Ltd, and from March 2019 to August 2020, he served in the same role at ICHX Tech Pte Ltd. In August 2020, he was appointed Assistant General Counsel at MindChamps Preschool Singapore Pte Ltd, where he remained until March 2021.

From March 2021 to October 2021, Mr. Koh was the Head of Legal for Digitrade Fintech Pte Ltd, and from October 2021 to April 2022, he served in the same capacity at EVYD Research Pte Ltd.

Mr. Koh holds a Bachelor of Laws degree from the National University of Singapore.



**Su Qing**  
CCO – PRC

Mr. Su Qing ("Mr. Su") is our Chief Compliance Officer – PRC, and he joined the YSL Group in November 2007. His responsibilities include overseeing the legal compliance, corporate secretarial and risk management functions of our Group, covering the Debt Investment Business, Investment Management Business and operations in the PRC. He will also be responsible for ensuring that there are appropriate procedures and processes in place to implement policies approved by the Board, as well as adequate systems to monitor compliance with established policies and procedures.

Upon graduating from the Economic Law School of East China University of Political Science and Law, Mr. Su joined Jiangsu Yangzijiang Shipyard Co., Ltd. as a translator in November 2007. From May 2008 to June 2009 and June 2009 to October 2012, he held the positions of operating representative and investment manager respectively in Jiangsu Yangzijiang Shipyard Co., Ltd.. From October 2012 to March 2015 and March 2015 to December 2018, Mr. Su held the positions of Chief of Legal Affairs and Director of the Legal Affairs Department in Jiangsu Yangzijiang Shipbuilding Co., Ltd. and Jiangsu New Yangzi Shipbuilding Co., Ltd. respectively. He has been the Legal Director of Jiangsu Xinyang Ship Investment Co., Ltd. since January 2019.

Mr. Su graduated from the Economic Law School of East China University of Political Science and Law with a Bachelor of Science (Economic Law) in June 2007.

## KEY MANAGEMENT



### Alex Yan Zhong Bing

Head of Shipping & Maritime Technology Fund

Mr. Alex Yan Zhong Bing ("Mr. Yan"), the Yangzijiang Financial Maritime Fund Manager, has been engaged in the maritime business for over two decades, with varying positions ranging from leasing and finance to fleet management.

Before joining the Company, Mr. Yan was the Head of Partner Relations – Far East at Klaveness Asia. Preceding to then, he served as Lloyd's Register's vice president of leasing and shipping, the General Manager of shipping finance at Haitong UT Leasing, and the head of asset management at CSSC Leasing.

Mr. Yan holds a Master of Science in Investment Management from the Hong Kong University of Science and Technology, Master of Logistics Engineering from Shanghai Jiao Tong University, and a Master of Business Administration (MBA) from Fudan University.

### Wu Menglin

Head of Fund Investments

Ms. Wu Menglin ("Ms. Wu") is our Group's Head of Fund Investments. Ms. Wu leads the due diligence and selection process of the Group's investments in international funds outside of China.

Prior to joining the Company, Ms. Wu served as Vice President, Private Equity Funds and Co-Investments at GIC Private Limited ("GIC"), a sovereign wealth fund that oversees Singapore's foreign reserves. During Ms. Wu's 10-year stint at GIC, she managed private equity fund investments in Asia and co-investments in a diverse range of sectors.

Ms. Wu earned her master's degree in Information and Computer Engineering, and a bachelor's degree in Engineering from the University of Cambridge. She is also a CFA charter holder.

### Alvin Chew Lee Guan

Head of Direct Investments

Mr. Alvin Chew Lee Guan ("Mr. Chew") is our Head of Direct Investments in Singapore, and he joined our Group on November 28, 2022. Mr. Chew is responsible for overseeing the group's direct investments outside of China.

Mr. Chew's career spans over 20 years of professional experience in direct investments, investment banking and corporate development. Mr. Chew was a Managing Partner at EDBI where he led the Strategic Growth Program team which oversees EDBI's private equity growth investments into Singapore based enterprises across industries in healthcare services, advanced manufacturing, creator economy and sustainability. He was also the Coordinating Head for the firm's China operations that are responsible for investments in the areas of Digital Technologies, Emerging Technologies and Healthcare. Mr. Chew was a member of EDBI's senior management team responsible for corporate matters and policies and served in EDBI's Investment & Divestment Committees for all direct and Fund of Funds investments, and as board director and board observer in many of EDBI's portfolio companies.

Prior to EDBI, Mr. Chew was the former Managing Partner in ACA Investments Pte Ltd, a fund management company spin-off from Nikko Cordial Group, covering mid-market private equity investments in North Asia and Southeast Asia. Preceding to that, Mr. Chew was previously the Executive Director with ICH Group Ltd where he set up and managed the Group's Private Equity Investment division (ICH Asset Management Pte Ltd & ICH-Nikko Antfactory Fund Management Pte Ltd).

Mr. Chew holds a Bachelor of Social Science (Honours) in Economics from the National University of Singapore.

## FINANCIAL AND OPERATIONS REVIEW

### FINANCIAL REVIEW

2022 has been a milestone year for our Group, marking an important transition. Following a successful spin-off from Yangzijiang Shipbuilding (Holdings) Ltd, YZJFH has started its journey towards becoming an independent global asset management, fund, and wealth management company. Previously, YZJFH operated as a China-focused investment business segment of a shipbuilding group, with the majority of income coming from entrusted loan structured debt investment in China. With the successful spin-off, YZJFH's vision is now to diversify our portfolio across multiple asset classes and allocate up to 50% of our investments outside of China.

2022 was also a challenging year for the Group, as we focused on diversifying our portfolio across vintages, asset classes and geographies to maximise returns for shareholders over the long term. The Group's performance was also hit by the adverse impact of the COVID-19 pandemic on the Chinese economy as well as weak real estate market. Nonetheless, we were able to remain profitable through the year.

For the financial year of 2022, the Group recorded a total income of S\$306.2 million and a net profit of S\$162.0 million, representing a decline of 20% and 50% year-on-year respectively.

### INCOME STATEMENT

#### Interest Income

Interest Income is the Group's main source of revenue in FY2022, derived primarily from our debt investments business, which includes debt investments and microfinancing loans.

Interest income derived from our Group's debt investments business was S\$312.2 million for FY2022. This represents approximately a 15.1% decrease or S\$55.4 million from S\$367.6 million for FY2021. The significant decrease in interest income was mainly resulted from a lower average debt investments balance in FY2022 as compared to the prior financial year, as well as the increase of non-performing loans during 2H2022 following the deterioration in the China real estate market.

On the other hand, interest income from cash and cash equivalents increased significantly by S\$19.5 million or 1,772.7% from S\$1.1 million for FY2021 to S\$20.6 million in FY2022. The increase was mainly due to a higher average cash balance and higher returns from cash and cash equivalents denominated in USD and SGD.

#### Non-Interest Income

Our Group's non-interest income comprises fee income, dividend income, net changes in fair values of our investments in financial assets at fair value through profit or loss and other income including rental income from investment properties and service income earned from consultation services.

Dividend income from our Group's investments was approximately S\$7.7 million for FY2022. This represents a 90.2% or S\$70.7 million decrease from S\$78.4 million for FY2021, mainly due to lower dividends declared by our Venture Capital investments in China this year.

In FY2022, a loss of S\$34.9 million was recorded from a net change in fair value of our investments in financial assets, at fair value through profit or loss, as compared to a S\$62.8 million fair value loss for FY2021. Out of the S\$34.9 million loss, approximately S\$13.3 million was attributable to fair value movement of certain listed shares, which were retained with YZJ Group at the point of the spin-off, while the rest was a result of overall fair value losses from our direct investments and underlying investments within the funds we have invested in. Our portfolio of investments is diversified across various industries, including petrochemicals, materials, electric vehicles, and pharmaceuticals etc.

Other income was approximately S\$0.57 million for FY2022, representing a 8% or S\$0.05 million decrease from S\$0.62 million for FY2021. The decrease was mainly due to lower service income earned from consultation services this year.

#### Allowances for Credit and Other Losses

Allowances or reversal of allowances for credit and other losses pertain to expected credit losses provided on the Group's debt investments (at amortised costs) and loans to non-related parties – microfinance.

The allowances for credit and other losses of S\$123.9 million recognised in FY2022 arose from the additional allowance of S\$153.6 million made on non-performing debt investments (at amortised costs), which was partially net off by the reversal of unutilised allowance on performing debt investments (at amortised costs).

#### Profit Before/After Allowances

Profit before allowances decreased by approximately 23.6%, or S\$85.7 million from S\$362.7 million for FY2021 to S\$277.0 million for FY2022. This decrease was exacerbated by a higher provision of S\$123.9 million for credit losses recorded in FY2022. As a result, profit after allowances decreased by 58.8% or S\$218.8 million from S\$371.9 million for FY2021 to S\$153.1 million for FY2022.

#### Net Profit

As a result, Group's net income decreased by approximately 50.5% or S\$165.2 million from S\$327.2 million for FY2021 to S\$162.0 million for FY2022.

### BALANCE SHEET

As part of the Group's portfolio rebalancing strategy, the Group has reduced its debt investments in China to approximately 59% (including microfinance loans) of its total portfolio as of 31 December 2022. Cash and yield enhancement products, and equity and other investments now form approximately

## FINANCIAL AND OPERATIONS REVIEW

22% and 19% of the total portfolio respectively, while 13% of the Group's assets are located in Singapore as of the same date.

### Non-Current Assets

Non-current assets increased by approximately 34.7% or S\$319.0 million from S\$918.7 million as of 31 December 2021 to S\$1,237.7 million as of 31 December 2022, mainly due to higher non-current debt investments at (amortised costs.)

#### A) Non-current financial assets at fair value through profit or loss

Non-current financial assets at fair value through profit or loss decreased by 3.2% or S\$13.7 million from S\$427.5 million as of 31 December 2021 to S\$413.9 million as of 31 December 2022. The decrease was mainly due to the disposal and fair value loss of non-current financial assets at fair value through profit or loss in China during the financial year and was partially offset by the investment of S\$141.5 million in offshore direct private credit and private equity investments and investment in funds.

#### B) Non-current debt investments

Non-current debt investments at amortised cost increased by S\$252.6 million or 163.3% from S\$154.7 million as of 31 December 2021 to S\$407.3 million as of 31 December 2022, mainly due to medium-term investments offered by various banks in Singapore that the Group entered into for its medium-term offshore fund deployment plan.

#### C) Investment in associated companies

Investments in associated companies increased by approximately 42.1% or S\$95.6 million from S\$227.1 million as of 31 December 2021 to S\$322.6 million as of 31 December 2022. The increase was a result of additional investment in associated companies of S\$143.7 million, which was partially offset by a return on capital of S\$26.3 million.

### Current Assets

As of 31 December 2022, current assets stood at approximately S\$3.0 billion and mainly comprised cash and cash equivalents, current debt investments (at amortised costs), financial assets at fair value through profit or loss and trade and other receivables. This represented a decrease of approximately 14.7% or S\$513.0 million from S\$3.5 billion as of 31 December 2021.

Cash and cash equivalents increased significantly by S\$602.3 million from S\$18.4 million as of 31 December 2021 to S\$620.7 million as of 31 December 2022. The increase was mainly a result of a net cash inflow of approximately S\$631.8 million from YZJ Group at the point of the spin-off.

#### A) Current financial assets

The current financial assets measured at fair value through profit or loss decreased by 27.8% or S\$21.7 million, from S\$77.9 million as of 31 December 2021 to S\$56.2 million

as of 31 December 2022. The decrease was mainly due to investments retained with YZJ Group at the point of the spin-off, which was largely offset by new equity investments in China.

### B) Current debt investments

The current debt investments (at amortised costs) accounted for approximately S\$2.3 billion, representing 76.3% of our current assets. This reflected a decrease of approximately S\$1,095.3 million or 32.6% from our current debt investments (at amortised costs) of S\$3.4 billion at the end of FY2021, which was mainly due to net repayments in FY2022 and additional allowance for credit and other losses provided in FY2022 for increased non-performing loans as a result of the deteriorating real estate market in China.

### Non-Current Liabilities

Our total liabilities stood at S\$332.1 million as of 31 December 2022. Our non-current liabilities, which represented approximately 69.1% of our total liabilities, increased by approximately S\$146.8 million from approximately S\$82.8 million as of 31 December 2021 to approximately S\$229.6 million as of 31 December 2022. This was mainly due to higher deferred income tax liabilities as a result of an undistributed dividend from a PRC subsidiary, which was a part of the spin-off process, as well as additional deferred tax liabilities recorded in FY2022 in relation to undistributed profits of PRC subsidiaries.

### Current Liabilities

Our current liabilities increased by approximately S\$34.2 million or 50.1% from approximately S\$68.3 million as of 31 December 2021 to S\$102.5 million as of 31 December 2022, mainly due to higher trade and other payables and borrowings. Current trade and other payables increased by S\$50.1 million from S\$2.8 million as of 31 December 2021 to S\$52.9 million as of 31 December 2022. The increase was mainly related to cash collaterals the Group received for investments. The current derivative financial liability of S\$6.9 million relates to the valuation of forex derivative and forward contracts the Group entered into for the purpose of hedging forex risk of yield-enhancement cash management products. Borrowings of S\$13.8 million mainly represent a short-term USD loan that the Group entered into simultaneously with a fixed deposit as an arbitrage deal to earn a risk-free interest-rate differential.

### Equity

Total equity decreased approximately by 8.8% or S\$375.0 million from S\$4.25 billion as of 31 December 2021 to S\$3.87 billion as of 31 December 2022. This is mainly due to currency translation loss of S\$298.7m as a result of the strengthening of SGD to RMB during the year. The group's presentation currency is SGD, while 87.1% of the Group's investment portfolio as of 31 Dec 2022 is in China. The total equity of our Company can be attributed to share capital or combined capital & owner's net investment, other reserves, currency translation reserves and retained earnings.

## FINANCIAL AND OPERATIONS REVIEW

### Cash Flows

A review of the liquidity and capital resources of our Group for FY2022 is set out below:

Net cash provided by:

#### A) Operating activities

In FY2022, our Group recorded net cash provided by operating activities of approximately S\$571.3 million, which was a result of a profit after income tax of S\$162.0 million and adjustments for items such as

- (i) fair value loss on financial assets of S\$34.9 million;
- (ii) share of profit from associated companies of S\$6.7 million;
- (iii) dividend income of S\$7.7 million;
- (iv) income tax expenses of S\$34.4 million;
- (v) depreciation of investment properties and property, plant and equipment of S\$1.5 million;
- (vi) net effect of exchange rate changes in consolidating foreign operations of S\$332.4 million; and
- (vii) working capital inflows of S\$101.0 million.

Working capital inflows were due to the following:

- 1) a decrease in trade and other receivables of S\$5.8 million;
- 2) a decrease in net debt investments (at amortised costs) of S\$45.2 million; and
- 3) an increase in other payables of S\$50.0 million.

#### B) Investing activities

Net cash used in investing activities amounted to approximately S\$223.7 million in FY2022 mainly due to

- (i) additions to investment in associated companies of S\$143.7 million;
- (ii) acquisition of financial assets, at fair value through profit or loss of S\$226.6 million; and
- (iii) acquisition of a subsidiary, net of cash, at S\$1 million.

This was partially offset by:

- (i) proceeds from sale of financial assets, at fair value through profit and loss of S\$112.5 million;
- (ii) proceeds from disposal of associated company of S\$1.4 million;
- (iii) dividend received of S\$7.7 million; and
- (iv) return of capital by associated companies of S\$26.3 million.

#### C) Financing activities

Net cash provided by financing activities amounted to approximately S\$552.3 million, mainly due to an increase in funding from YZJ Group of S\$702.9 million and net proceeds from loans and borrowings of S\$14.6 million. This was partially offset by:

- (i) Distributions to YZJ Group amounting to S\$71.1 million prior to the spin off; and
- (ii) Share buyback of S\$94.1 million.

#### Share Buyback Programme

In 2022, the Group unveiled a S\$200 million share buyback programme to boost shareholder value and increase our return on equity. The maximum number of shares which may be purchased under the programme amounts to 10% of the issued shares. The programme was carried out in accordance with the share buyback mandate granted by the Group's shareholders at its extraordinary general meeting held on 8 June 2022. As of 31 December 2022, the Group had utilised approximately S\$99 million to purchase approximately 6.6% of our outstanding shares.

### OPERATIONAL REVIEW

Following the Group's successful listing by introduction in April 2022, its principal businesses comprise:

- (i) Investment Management (which seeks to achieve capital appreciation and investment income from investments in both public and private companies and funds),
- (ii) Fund Management (which seeks to generate fee income) and
- (iii) Wealth Management (which seeks to generate advisory income).

#### (i) Investment Management

As of 31 December 2022, the Group had S\$4.1 billion of assets under management (AUM). Prior to the spin-off, the Group's primary focus was on debt investments in China. In November 2022, some of the Group's wholly-owned subsidiaries were awarded a liquidity pool scheme by the People's Bank of China, enabling such subsidiaries to grant inter-company transfers of up to RMB10 billion. This allows the Group to efficiently deploy capital in and out of China through intra-group transfers, which facilitates the Group's aim of reallocating funds outside of China. As part of the Group's portfolio rebalancing strategy, as of 31 December 2022, the Group reduced its debt investments to approximately 59% (including microfinance loans) of its total portfolio. Cash and yield enhancement products and equity & offshore private debt investments now form approximately 22% and 19% of the total portfolio respectively. About 13% of the Group's assets are outside of China through Singapore incorporated subsidiaries as of the same date.

## FINANCIAL AND OPERATIONS REVIEW

The Group has identified the following areas for investments:

### 1. Maritime Fund

In 2022, the Group established a new maritime fund, Yangzijiang Maritime Private Equity Fund #2 ("Maritime Fund"), to generate stable returns from investments in maritime assets. The Group plans to transfer projects, which have been invested earlier into the Maritime projects, while remaining on the lookout for opportunities in the gas sector, including liquefied natural gas, liquefied petroleum gas, liquefied ethane gas, methanol, hydrogen, ammonia and carbon dioxide.

### 2. Heliconia Capital

Additionally, the Group has partnered with Heliconia Capital to invest in promising small and medium enterprises ("SMEs") in Singapore and other Southeast Asian countries. The Heliconia Generation Fund Limited Partnership has been set up with an initial fund closing size of S\$130 million, with the Group being its anchor limited partner contributing S\$80 million.

### 3. Equity Investments

In terms of direct equity investments, the Group has seen a strong rebound in its portfolio from 4Q2022 along with the general market. This helped the Group to reverse from a loss from the share of results of associated companies in 1H2022 to a profit in 2022.

### 4. Debt Investments

The Group experienced an increase in non-performing loans in 2H2022 due to the interest and/or principal payments past due as the property sector in China remains sluggish. In lieu of the cautious China property outlook and the Group's conservative policy in managing its non-performing loans, the Group has increased expected credit losses for a larger number of loan investments.

### 5. Private Credit Assets

The Group has entered into various agreements with Tahan Capital Management to jointly invest in private credit assets in Asia, as well as to build Singapore as an asset management hub for private credit in the region. Tahan Capital Management is an established boutique fund manager that specialises in both public and private credit asset investments.

### (ii) Fund Management

During 2022, the Group set up two new funds, namely the abovementioned Maritime Fund and GEM Asia Private Equity Fund ("PE Fund"). The Maritime Fund has a target AUM of US\$500 million, of which up to US\$200 million will be funded by the Group. The PE Fund has a target AUM of S\$100 million, with the Group providing up to S\$80 million in funding. The Group intends to raise the remaining capital from external investors.

### (iii) Wealth Management

In 2022, the Group announced it will provide investment advisory services to a family office that has an AUM of S\$500 million. Singapore has seen a surge in family offices over the years – currently, the country has about 700 family offices in operation, a significant sevenfold increase since 2017<sup>1</sup>. This provides robust opportunities for the Group's fund management and wealth management services to generate additional recurring revenue.

## BUSINESS OUTLOOK

Looking ahead, the Group intends to focus on diversifying its portfolio across multiple asset classes as well as allocate up to 50% of its investments outside of China, as it continues to build on its standing as an international investment, fund and wealth management company. It will target the following investment areas, leveraging on its industry expertise and networks to gain a competitive edge, as well as generate long-term, sustainable and recurring income streams for shareholders.

### Debt Investments

Outlook for the Group's debt investments is diverse, but overall positive. The Chinese authorities relaxed their COVID-19 restrictions in December 2022, which spurred an improvement in sentiment and activity. China's gross domestic product is now projected to grow 5.0% in 2023, primarily led by domestic consumption and as broad-based activity in the economy gradually recovers<sup>2</sup>. The Chinese authorities have also introduced measures to support the local property sector, including a liquidity package last November – bank credit, bond issuance and equity financing – along with measures aimed at boosting home sales. In January 2023, China's central bank also established a dynamic adjustment mechanism on mortgage rates, in which the floor on mortgage rates can be lowered or abolished for first-time home buyers in phases<sup>3</sup>. The Group will continue to actively manage its debt portfolio and regularly review the adequacy of its provisions.

<sup>1</sup> <https://www.channelnewsasia.com/singapore/family-offices-ultra-rich-set-singapore-financial-sector-3182131>

<sup>2</sup> <https://www.reuters.com/world/china/fitch-raises-chinas-growth-forecast-5-2023-2023-02-08/>

<sup>3</sup> <https://www.reuters.com/markets/asia/china-property-shares-rise-easing-mortgage-rules-some-buyers-2023-01-06/>

## FINANCIAL AND OPERATIONS REVIEW

### Private Equity Investments

The Group will continue to deploy its capital across vintages (i.e. periods), geographies and products to ensure that we are able to generate sustainable returns over the long term as well as across various economic cycles.



### Private Credit Assets

As for its push into the Asian private credit markets, the Group remains cautiously optimistic. Multiple opportunities exist, in view of the secular growth trends in the region and financing needs from Asian corporates seeking an alternative source of funds on top of the traditional bank lending and capital markets. The private credit market in the Asia Pacific has grown significantly over the last few years, with assets under management (AUM) held by private credit fund managers in the region totaling S\$65.6 billion in 3Q2020, according to data from Preqin, which also expects the asset class to expand at a compounded annual growth rate (CAGR) of over 20% by the end of 2025<sup>4</sup>.

As we move forward, we will continue to diversify our portfolio across multiple asset classes and allocate funds to assets outside of China, to diversify our sources of income and achieve sustainable, risk-adjusted returns.

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<sup>4</sup> <https://timesofindia.indiatimes.com/blogs/voices/the-private-credit-buzz-is-growing-louder-in-apac/>

## CORPORATE INFORMATION

(Stock code: SGX YF8)

### BOARD OF DIRECTORS

**Ren Yuanlin**  
*Executive Chairman*

**Toe Teow Heng**  
*Executive Director, CEO and CIO Singapore*

**Chew Sutat**  
*Lead Independent Non-Executive Director*

**Chua Kim Leng**  
*Independent Non-Executive Director*

**Yee Kee Shian, Leon**  
*Independent Non-Executive Director*

### AUDIT AND RISK COMMITTEE:

**Chua Kim Leng** (*Chairman*)

**Yee Kee Shian, Leon**

**Chew Sutat**

### AUDITOR :

**PricewaterhouseCoopers LLP**

7 Straits View Level 12,  
Marina One East Tower  
Singapore 018936

Partner-in-charge:

**Mr Lim Kheng Wah (Lin Qinghua)**  
(a member of the Institute of Singapore Chartered Accountants)

### NOMINATING COMMITTEE:

**Yee Kee Shian, Leon** (*Chairman*)

**Chew Sutat**

**Chua Kim Leng**

### REMUNERATION COMMITTEE:

**Yee Kee Shian, Leon** (*Chairman*)

**Chew Sutat**

**Chua Kim Leng**

### COMPANY SECRETARY :

**Lee Wei Hsiung** (ACIS)

### REGISTERED OFFICE:

80 Robinson Road #02-00  
Singapore 068898

### PRINCIPAL PLACE OF BUSINESS:

9 Raffles Place #54-01  
Republic Plaza  
Singapore 048619

### SHARE REGISTRAR :

**Boardroom Corporate & Advisory Services Pte. Ltd.**

1 Harbourfront Avenue #14-07

Keppel Bay Tower

Singapore 098632

### INVESTOR RELATIONS:

**GEM COMM PTE LTD**

[Emily@gem-comm.com](mailto:Emily@gem-comm.com)

### WEBSITE:

[www.yzjfin.com](http://www.yzjfin.com)

## SUSTAINABILITY REPORT

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### LETTER FROM THE BOARD

Dear Stakeholders,

We are pleased to present Yangzijiang Financial Holding Ltd.'s ("Yangzijiang Financial", together with its subsidiaries, the "Group") inaugural sustainability report that showcases our initial, but firm commitment to creating a sustainable future.

The seeming lack of progress at COP27 (the 27<sup>th</sup> United Nations Climate Change Conference) is a stark reminder that private organisations have to step up to the plate and do their part. We were looking for progress on climate finance and global decarbonization. However, geopolitical tensions and the fallout from the Russia-Ukraine crisis have unfortunately caused many countries to expand, instead of reduce, their fossil fuel reserves arising from supply chain concerns.

As a steward of capital, we have the duty to ensure that we are supportive of and comply with the evolving environmental, social and governance ("ESG") regulations. Armed with assets under management of over S\$4 billion and with over S\$2 billion earmarked for overseas investment, we have the capability to reshape and influence behaviours around ESG via our investments. Our goal, however, is to move beyond mere compliance and embody the spirit of sustainability with our actions both internally and externally.

In order to achieve our ESG goals, we intend to set up and formalise a number of strategies and policies to guide us along. As a first step, we will be forming a dedicated sustainability committee in the second half of 2023 that will report directly to the Board of Directors ("Board"). Our Chief Executive Officer ("CEO") will lend weight to the committee by helming it. The committee will subsequently implement a sustainability framework by the end of 2023 and seek to integrate ESG investing across the board in the coming years. In addition, we will prepare and adopt the disclosures recommended by the Task Force on Climate-Related Financial Disclosures ("TCFD") in 2023.

We are well aware that the ESG challenges we face are complex but we are committed to systematically addressing them through our engagement with our stakeholders. As the Group matures, we aspire to work with our partners and investee companies to improve their ESG metrics and contribute towards achieving a net-zero carbon world.

On behalf of the firm, we would like to thank you for your support. We look forward to having candid and actionable conversations about a sustainable future.

**The Board of Directors**

Yangzijiang Financial Holding Ltd.

## SUSTAINABILITY REPORT

### AT A GLANCE



S\$ **4.1** billion  
assets under management



**5** funds



**2** offices  
in Singapore and China



**80** employees  
in Singapore and China



**120k** KwH  
electricity consumed



**81.17**  
CO<sub>2</sub> emissions

### ABOUT THE REPORT

Yangzijiang Financial's inaugural sustainability report provides an overview of our sustainability activities and accomplishments in 2022, but more so, our plans going forward to support business resilience and value creation for our stakeholders.

2022 was our first year of operation as an independent entity following the spin-off from Yangzijiang Shipbuilding (Holdings) Ltd. On that premise, the Group is still in the early phase of establishing and integrating a sustainability framework, along with the corresponding goals, policies and strategies. This maiden sustainability report aims to achieve two objectives – outline the Group's sustainability efforts and performance in 2022, and communicate our short to long-term sustainability plans.

#### Reporting Scope

Sustainability reporting at Yangzijiang Financial will be performed on an annual basis. This report covers the period 1 January 2022 through 31 December 2022 ("FY2022"). No historical data is available in this first report but we intend to do so in the following year for comparison.

The scope of reporting includes all our principal activities, namely, (i) investment management, which seeks capital appreciation and investment income from investments in both public and private companies, funds and debt investments, (ii) provision of wealth management services for advisory income and (iii) fund management to generate recurring fee-based income from the management of third-party investment funds. All three activities are categorized under one business segment. The Group operates in Singapore and the People's Republic of China ("PRC"). Unless otherwise stated, data and information presented in this report include our businesses in Singapore and the PRC.

# SUSTAINABILITY REPORT

## Reporting Framework

This report is prepared in accordance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B and draws on the guidance set out in Practice Note 7.6.

In addition to that, our overarching sustainability reporting framework is guided by the Global Reporting Initiatives ("GRI") Standards, the world's most widely used sustainability reporting standards. The selected GRI Standards disclosures for reporting are provided in the GRI Content Index on page 39.

Given that this is our inaugural report, we did not seek third-party verification and external assurance for all information disclosed in this report.

## Board Approval

The Board of Yangzijiang Financial acknowledges its responsibility in ensuring the integrity of the sustainability report. This report has been approved by the Board and the Board is of the opinion that all data and information have been fairly and adequately presented.

## Point of Contact

As part of our efforts to continuously improve our sustainability approach and reporting, we welcome all suggestions and inquiries from our stakeholders and readers. Please send your feedback to [public@yzjfin.com](mailto:public@yzjfin.com).

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## ABOUT US

Yangzijiang Financial is a Singapore-based investment management company that was incorporated in December 2021, with operations in the PRC and Singapore. With the aspiration of becoming a leading investment manager in Asia, the company focuses on long-term value creation through a diversified portfolio of prudent investments. Backed by strong investment capacity with a deep proprietary capital pool and access to various investment opportunities, we strive to deliver attractive risk-adjusted returns over the longer term.

Apart from our main services of investment management, the Group has also been building the foundation for our wealth management and fund management services. We will be providing support functions including financial leasing, asset resourcing, risk, operations and fund administration. Yangzijiang Financial was listed on the SGX-ST on 28 April 2022. As of 31 December 2022, the Group has S\$4.1 billion of assets under management ("AUM"), predominantly in the PRC.

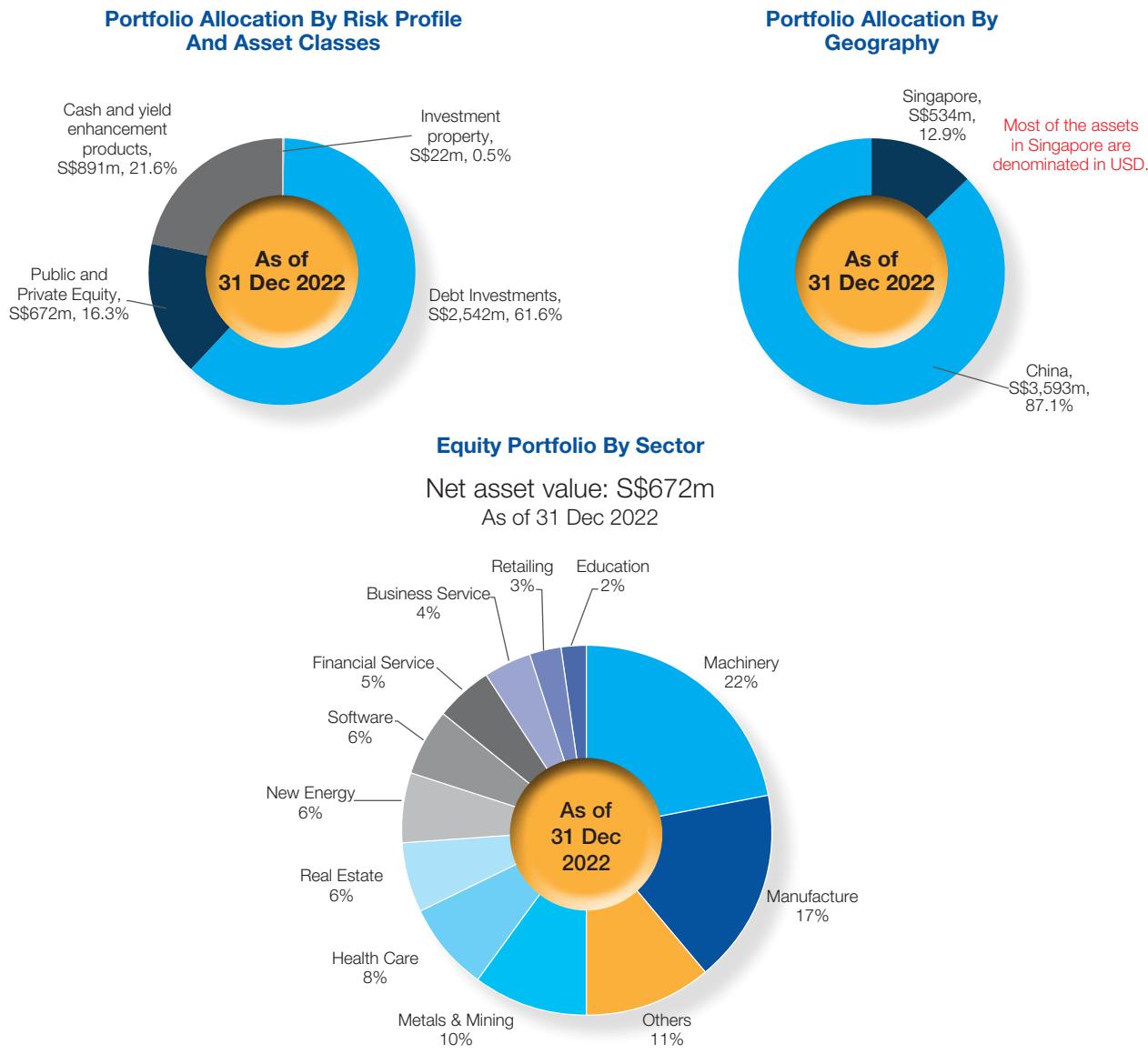
## Business Segment

Our sole business segment can be divided into three principal activities:

- i. **Investment management:** Seeks capital appreciation and investment income from investments in both public and private equities, funds and debt investments. The company also provides microfinancing loans in the Jiangsu Province.
- ii. **Fund management:** Generates recurring fee-based income from the management of third-party investment funds.
- iii. **Wealth management:** Provides investment advisory to investors such as family offices and pension funds to generate advisory income. In December 2022, we signed an investment advisory agreement with a family office to provide advisory services for an AUM of S\$500 million. No income has been generated in FY2022 from this.

## SUSTAINABILITY REPORT

### Portfolio Breakdown



### SUSTAINABILITY AT YANGZIJIANG FINANCIAL

The Board is responsible for the oversight of the overall sustainability agenda for the Group. At the point of reporting, the Board has neither formed a specific committee nor delegated the responsibility to an existing committee to carry out the Group's ESG initiatives.

The Group intends to set up such a committee or a sub-committee by the end of 2023. Thereafter, the said committee will be given the responsibility to establish a comprehensive ESG strategy, including a sustainability framework and its corresponding objectives and policies. Specific tasks will be delegated to senior executives to ensure that the framework is being integrated organisation-wide and to drive sustainability initiatives that are in line with our ESG goals.

## SUSTAINABILITY REPORT

### STAKEHOLDER ENGAGEMENT

As a cross-border investment manager focusing on driving long-term value creation, looking after all our stakeholders' interests rank high on our list of priorities. As a steward of capital, trust must be developed both within the organisation and externally. To do that, we seek to have a consistent and open dialogue with our stakeholders so that we can develop honest and lasting relationships. The symbiotic relationship and the feedback garnered from these conversations, will enable us to make the necessary changes along the way and thus ensure that our organisation will contribute to create a more sustainable future.

Stakeholder	Communication
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Stakeholder survey</li> <li>• Internal communications</li> <li>• Annual performance review</li> <li>• Informally on an ongoing basis</li> </ul>
<b>Shareholders, potential investors and investment analysts</b>	<ul style="list-style-type: none"> <li>• Stakeholder survey</li> <li>• Annual General Meeting</li> <li>• Annual and half-yearly financial reports</li> <li>• Sustainability reports</li> <li>• Half-yearly investors' briefings and roadshows</li> <li>• Access to executive management and investor relations team</li> <li>• Comprehensive investor relations material on website</li> <li>• Timely announcements/press releases on SGXNet</li> </ul>
<b>Investee companies</b>	<ul style="list-style-type: none"> <li>• Stakeholder survey</li> <li>• Informally on an ongoing basis</li> </ul>

### MATERIAL TOPICS

#### Process of determining material topics

Our materiality assessment process is in place to ensure the continued relevance of our sustainability efforts. These material topics are selected and evaluated based on the level of impact on our stakeholders.

The Group has conducted its first materiality assessment exercise for FY2022, taking reference from the frameworks and recommendations suggested by GRI and SGX-ST. As part of the process, we also engaged with both internal and external stakeholders by conducting our first stakeholder survey on material topics. The results have helped us gain a baseline view of the degree of impact each material item has on a particular stakeholder group.

The assessment procedures are as follows:

#### Step 1: Materiality Identification

Based on the list of suggestions made available by GRI and SGX-ST, the Group has studied and identified eight (8) material topics that are deemed relevant to Yangzijiang Financial. All these topics have either positive or negative impacts on our business operations, whether directly or indirectly.

## SUSTAINABILITY REPORT

### Step 2: Materiality Prioritisation

The materiality prioritisation process makes sure that the majority of the relevant topics have been proportionately covered and addressed, in accordance with their degree of priority. In the near future, the process will also be used to formulate sustainable growth strategies.

### Step 3: Materiality Validation

The Board has been made aware of the material topics along with their potential impacts. With that, Yangzijiang Financial has drafted and subsequently circulated survey forms to shareholders for feedback.

### Step 4: Materiality Review

The stakeholder results have been analysed. In our view, there is consensus on the eight (8) material topics listed below among all our stakeholder groups. Taking into account the dynamic landscape today, the Board will continue to review these topics periodically to ensure that future reporting remains relevant.

#### **Material Topics**

Topic	Description
<b>Environment</b>	
<b>Energy</b>	Minimising carbon footprint and resource usage of our own operations – this section includes energy, water, waste, travel and GHG emissions
<b>Emissions</b>	
<b>Governance</b>	
<b>Anti-corruption</b>	Fostering a culture of high ethical compliance and zero tolerance towards corruption and bribery
<b>Diversity &amp; Equal Opportunity</b>	Encouraging workplace diversity where all employees are treated equally and without discrimination in employment based on gender, race, age, nationality and others
<b>Privacy</b>	Ensuring a proper infrastructure of data collection, usage and storage to safeguard our employees' and customers' privacy
<b>Our Employees</b>	
<b>Employee Well-being</b>	Taking care of our people and complying with the relevant regulations pertaining to pensions, parental leaves and other benefits
<b>Occupational Health &amp; Safety</b>	Managing the risk of our employees from a health and safety perspective through insurance coverage, health screenings and better work-life balance
<b>Training &amp; Education</b>	Prioritising the development of our talent pool and improving our employee retention rate

## SUSTAINABILITY REPORT

### OUR INVESTMENT APPROACH

Over the coming years, we plan to integrate ESG factors into our investment decision-making process and portfolio construction in phases. We intend to build our processes with reference to the Guidelines on Environmental Risk Management (Asset Managers) published by the Monetary Authority of Singapore (“MAS”).

Some of the ESG investing tools that are currently being studied and considered include:

- Engagement with portfolio companies
- ESG Investing
- Negative Screening
- Impact Investing

Aside from that, we will also be looking into nurturing a responsible business culture across our organisation through the development of supportive systems and processes.

Some of these include:

- Fine-tuning key performance indicators (“KPIs”) of our portfolio managers and analysts to incorporate ESG metrics
- Integrating ESG elements into new product/fund approval and our due-diligence process
- Upskilling our portfolio managers and analysts through ESG training

Though we have yet to formalise any sustainability investing framework, the Group has been making efforts to increase our investment exposure that encompasses, to a certain extent, sustainability components.

#### *Maritime Fund (Part of GEM Growth Fund)*

In October 2022, we launched a maritime fund that is established under a Variable Capital Company (“VCC”) structure. To date, the fund has secured capital commitments of US\$500 million with an ultimate target fund size of US\$600 million.

Through our Executive Chairman’s experience and expertise in the maritime industry, the Group has deep domain knowledge in the sector and possesses a strong global network with various industry players across the maritime value chain. The fund focuses on investments in maritime assets such as vessels for the purposes of leasing, chartering and sale, as well as providing financing to small and medium-sized shipping companies.

Amidst the current regulatory shift in the maritime industry, demand for energy efficient and clean energy vessels including, among others, dual-fuel vessels, liquefied natural gas (“LNG”) vessels and liquefied ethane gas (“LEG”) vessels is on the rise. Our fund will have a positive impact on the ongoing green transition in the maritime industry, supporting the carbon reduction goals set out by the International Maritime Organisation (“IMO”), a specialized agency under the United Nations (“UN”).

## SUSTAINABILITY REPORT

The fund takes reference from the UN Principles of Responsible Investment (“PRI”) in regards to the integration of ESG consideration into investment management processes and ownership practices. We view such processes to be a form of forward-looking risk mitigation tool that can help contribute to our aim of generating superior, longer-term value for our clients. This principle will primarily be applied to our asset-backed investments which encompass more than 60% of our assets under management.

### *GEM Asia PE Fund (as a Limited Partner)*

In FY2023, we will be partnering with Temasek Holdings-owned Heliconia Capital Management Pte. Ltd. (“Heliconia”), in the capacity of a Limited Partner (“LP”), to launch the GEM Asia PE Fund. Part of the fund’s mandate is to invest in promising small and medium enterprises (“SMEs”) in Singapore and other Southeast Asian countries. The fund will have a target size of up to S\$150 million, of which, Yangzijiang Financial is committed to contribute S\$80 million.

Providing growth capital to small businesses can produce positive knock-off effects to the society. Collectively, they promote job creation in and enhances the business vibrancy of their respective local economies. Not tied up with bureaucracy and legacy issues, SMEs tend to also churn out innovative solutions that could potentially contribute to the betterment of society at large.

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## ENVIRONMENT

Yangzijiang Financial is committed to upholding a high standard of environmental stewardship within the organisation. In our first year, we have taken efforts to start tracking the degree of direct carbon footprint generated by our business operations. With the data available, we can better manage and reduce such impacts in the future.



We recognize that a large part of the Group’s environmental impact arises from the activities of our portfolio companies. In time, we seek to improve the scope of tracking and influence with regards to these indirect sources of climate impact. Through our initiatives, we hope to set a good example for our portfolio companies and promote environmental stewardship across our stakeholder group.

### **Energy Consumption**

When it comes to reducing our carbon footprint, we believe in simplicity. We make an effort to communicate simple guidelines to our staff to instill habits and create environmental awareness. In our offices, we are constantly ensuring that lights, computers and other equipment are switched off when they are not in use for an extended period of time.

We are exploring ways to decrease our energy consumption from an energy efficiency standpoint. A near-term action we are considering is to switch out our incandescent light fittings to LED light fittings, which consume less energy while still providing the office space with the same amount of lighting.

### **Water Usage**

We educate our employees on the importance of water conservation and ways they could contribute to such efforts. We take swift action in reporting potential leakages in office toilets to the building management or landlord.

## SUSTAINABILITY REPORT

### Waste Management

In FY2022, the majority of our work was conducted digitally including documentation and storage of records, presentations, employee memos or manuals and so on. For instance, we require our directors to utilize only digital tablets and laptops during board meetings.

We seek to reduce unnecessary printing across our offices to cut down the consumption of paper and printing cartridges. However, when printing is absolutely necessary, we require our staff to use double-sided printing to reduce our paper usage by half.

During the period under review, we also returned our printer cartridges and coffee capsules to the respective suppliers and vendors for recycling purposes.

### Travel

Business air travel was one of the Group's main contributors to carbon emissions in FY2022. At Yangzijiang Financial, we encourage our team to conduct cross-border meetings virtually as far as possible to reduce the overall air mileage and carbon footprint. Our conference rooms are equipped with the necessary teleconferencing equipment to ensure smooth virtual communications.

Going forward, we aim to set out a clear travel policy to further encourage our employees to minimise air travel, or where possible, travel by sustainable transport.

### Statistics

Item	Description	FY2022
<b>Direct emissions (Scope 1)</b>	NA	NA
<b>Indirect emissions (Scope 2)*</b>	tonnes of CO <sup>2</sup>	68.44**
<b>Indirect emissions (Scope 3)<sup>^</sup></b>	tonnes of CO <sup>2</sup>	12.73^^
<b>Total emissions</b>	tonnes of CO <sup>2</sup>	81.17
<b>Carbon intensity ratio</b>	per S\$1 million of total income	0.265
<b>Electricity consumption*</b>	Kilowatt hour	120,000
<b>Water consumption*</b>	Cubic metre	1,172

\* Based on purchased electricity in our operations in the PRC (we were unable to ascertain the exact value for our Singapore office as we were co-sharing the office space with Yangzijiang Shipbuilding (Holdings) Ltd.)

\*\* Figure is an estimate based on 2022 Average Emissions Factor provided by The Ministry of Ecology and Environment of The People's Republic of China

^ Limited to business air travels taken by our employees in 2022

^^ Figure is an estimate based on the flight carbon calculator by Conservation International

## SUSTAINABILITY REPORT

### OUR PEOPLE

Item	FY2022
<b>Total Employee*</b>	<b>80</b>
PRC	63
Singapore	17
Male	51
Female	29
<b>Total employee turnover</b>	<b>0.048%</b>
<b>Number of employees who took parental leave</b>	<b>1</b>
<b>Number of employees returning after parental leave</b>	<b>0**</b>

\* All employees are new hires as FY2022 was the company's first year of operations

\*\* Still on parental leave



### Employee Welfare

#### Parental Leave

Our employee policy incorporates a strong emphasis on family well-being. The framework provides us with clear guidelines to best support our employees through every stage of their work and personal lives during their time with us.

In the PRC, our female employees are given a total of 158 days of paid maternity leave while our male staff are granted 15 days of paid paternity leave.

In Singapore, we adopt the guidelines set out by the Ministry of Manpower ("MOM"). Our female staff are entitled to 16 weeks of paid maternity leave and male staff 2 weeks of paid paternity leave if the child is a Singapore Citizen.

## SUSTAINABILITY REPORT

### *Retirement Plan*

In the PRC, the Group is in compliance with the local pension scheme where we contribute a stipulated portion of each employee's annual salary to cover his or her basic pension.

In our Singapore office, local citizens and Singapore permanent residents are automatically enrolled on the Central Provident Fund ("CPF") scheme, which is a mandatory social security savings scheme. We pay CPF contributions for these categories of employees on a monthly basis. The amount paid out is in full compliance with MOM's requirement.

### *Employee Health*

At Yangzijiang Financial, we value the physical well-being of our employees. All our employees in both the PRC and Singapore are provided annual medical insurance. In addition, they are provided with a free health screening every year.

### **Human Capital Development**

The Group is cognizant of the fact that our industry is constantly facing a talent shortage scenario. Given the changing investment landscape on the back of the increasing prevalence of ESG investing, rapid digitalisation and the popularisation of private assets, the skillsets required of investment professionals have also evolved, which resulted in the broadening of skills gap among the incumbents.

Because of that, Yangzijiang Financial has taken a comprehensive approach towards developing our people. We recognize the importance of professional growth as a means of maintaining high staff morale, workforce engagement and a long-term succession plan. Besides that, we value and encourage upskilling and reskilling among our staff as we want to make sure that the organisation remains sustainably competitive in the asset management space over the long term.

### *Learning and Development*

In FY2022, the Group has been supportive of our employees in attending industry events such as investment conferences, seminars, trainings and industry forums. These are events organised by top financial institutions and industry associations.

Some of the notable events attended by the Group in FY2022 include:

1. Goldman Sachs Client Forum on Global Geopolitics in July 2022
2. SuperReturn Asia in September 2022
3. Barclays Asia Forum in November 2022

ESG investing and climate risks have often been the focal points of these events. Our employees were able to engage in discussions on various issues pertaining to sustainability. These are relevant and important engagements that will help shape the trajectory of our young organisation. Going forward, as we strive to integrate ESG elements into our investment processes, continuous upskilling is required to ensure that our team is well-equipped and up-to-date with the tools and strategies available.

Apart from that, we are also looking into developing a funding scheme for our employees to attend external classes and training, as well as to attain relevant qualifications such as those offered by associations like the Chartered Financial Analyst ("CFA"), Chartered Alternative Investment Analyst Association ("CAIA") and Financial Risk Manager ("FRM").

## SUSTAINABILITY REPORT

### *Graduate Trainee Programme and Internship*

In our Singapore office, we offer internship programmes where we accept undergraduate interns for an average duration of nine (9) weeks. In FY2022, we employed a total of two (2) interns. Each intern was assigned to a supervisor to work on projects across a variety of functions, exposing them to on-the-job experience. The programme also helps the Group in identifying upcoming talent in the industry and to subsequently retain them as full-time employees.

In the PRC, the Group is in the midst of formulating a graduate trainee programme. We are establishing suitable job parameters for different work functions and working out an optimal rotation roster for these fresh graduates.

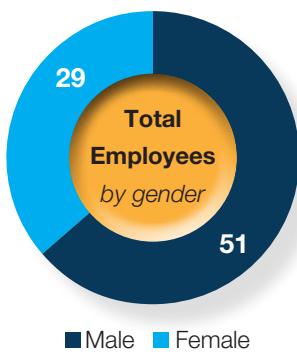
### *Review and Appraisal*

As we only started operating independently in end-April 2022, we have not conducted any formal employee appraisal in FY2022. Our first formal review will take place in the first half of 2023.

Our appraisal measures employees' performance against agreed objectives and the values of the Group, which will act as a basis for deciding remuneration and career progression. Besides formal appraisals, we operate in a tight-knit setting where our management team is actively providing continual feedback and guidance to improve staff performance.

### Diversity and Inclusion

Item	FY2022
<b>Ratio of basic salary of women to men</b>	
PRC: Senior management	0.869
PRC: Other employees	0.917
Singapore: Senior management	1.140
Singapore: Other employees	1.294



■ Male ■ Female



■ Male ■ Female

We recognise that diversity and inclusion are integral components of a sustainable business model. The management believes that diverse teams lead to better decision-making, increased innovation and stronger financial performance. In line with this, we are committed to creating a culture of inclusion where everyone feels valued and respected. Overall, the Group focuses on diversity in our hiring practices, employee training and community engagement initiatives.

## SUSTAINABILITY REPORT

### *Ethnic, social and gender diversity in all our processes*

As a growing company, we aim to establish an environment that is conducive to learning and a culture that not only accepts but values and respects differences. While we do not have a specific target for diversity in terms of ethnic or social classes and gender, we are proud to have a diverse workforce that represents a range of backgrounds, cultures and perspectives. As of December 2022, 36% of our total permanent and full-time workforce is female. We believe that this diversity enables us to better understand the needs of our clients and make more informed investment decisions.

Gender diversity is an issue that the investment industry has traditionally struggled with. Lack of representation, stereotypes, gender pay gaps and a need for work-life balance are only a few of the problems that exacerbate this issue. Going forward, we aim to create policies that are more friendly, flexible and inclusive.

Our motto is to attract, retain and develop the most suitable talent, free of any preconceived bias based on social, religious, ethnic or gender-related notions. Our recruitment process is carefully crafted to provide a fair, open and effective judgement of each candidate and choose the most suitable high-achieving employee who will add value to the company and its operations.

The Group is committed to continuing to build a diverse team by expanding its recruitment efforts and creating an inclusive workplace culture. However, considering the size of our business, achieving a tangibly diverse team from all aspects will be a gradual process. On our end, we will strive to be an equal-opportunity employer and strictly prohibit unfair discrimination.

We recognise that diversity and inclusion are ongoing efforts that require consistent attention and action. We are committed to measuring and tracking our progress towards our diversity and inclusion goals and regularly assessing our practices to ensure that they remain aligned with our values.

### *Community Initiatives*

In addition to our internal efforts, we also believe in supporting diversity and inclusion initiatives in the wider community. In the coming years, we will seek out partnerships with organisations that promote diversity and inclusivity in the financial industry and beyond. This will promote employee volunteerism and encourage our team members to give back to their communities through mentorship and other outreach programmes.

### **Occupational Health and Safety**

Occupational Health and Safety (“OHS”) is an important part of our overall sustainability efforts. By promoting a safe and healthy workplace, organisations can reduce their environmental footprint, promote social responsibility and contribute to the overall well-being of their employees and communities. This can help to build a strong reputation and brand, and can ultimately contribute to long-term sustainability.

Considering the nature of our services, our rates of occupational illness and accidents are minimal as our employees are mainly involved in low-risk occupational tasks. Our goal, however, remains at maintaining zero safety incidents.

We believe that it is important for our employees to feel safe, healthy and valued at their workplace. Policies that take into account mental health can help to boost employee morale and engagement by providing opportunities for personal and professional growth. For example, with regard to each individual’s personal needs, we offer our employees with the flexibility to work remotely where necessary. In addition to this, we provide free annual health screening for all our employees.

## SUSTAINABILITY REPORT

We recognise that OHS is not only the right thing to do from a moral and ethical perspective, but also makes good business sense. On a broader level, as we expand our portfolio further, we hope to emerge as a more responsible investment manager who looks out for the sustainability efforts of its portfolio companies too. To start with, we encourage the senior management of our portfolio companies to oversee and ensure OHS in their respective companies through an established system of regular reports and target evaluation.

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## GOVERNANCE

### The Board

The Board is dedicated to upholding robust corporate governance and giving priority to the concerns of our investors. They supervise and oversee our Group's operations, and assess advancements in major strategic projects and sustainability-related initiatives.

Our Board consists of five (5) Directors, of whom two (2) are Executive Directors and three (3) are Independent Non-Executive Directors. None of the Independent Directors sits on the board of our principal subsidiaries that are based in jurisdictions other than Singapore.

We work to ensure that our Board includes individuals with diverse business expertise and international experience, and who are representative of the communities in which we operate. Given the current board composition, there are sufficient safeguards and checks to ensure that the process of decision-making by our Board is independent and based on collective decision-making. Overall, the Board believes that good corporate governance embodies both enterprise (performance) and accountability (conformance) and is imperative to the creation of long-term stakeholder value.

We recognise the importance of corporate governance and the offering of high standards of accountability to our stakeholders and aim to comply with and implement the good practices recommended in the Code of Corporate Governance 2018. Based on the current corporate governance model, the Board has set up three (3) broad committees. All committees have a quorum of three (3) members, including the chairman of the said committee. The committees and their overarching responsibilities are as follows:

- i. **Audit and Risk Committee:** This committee is responsible for safeguarding our assets, maintaining adequate accounting records, developing and maintaining an effective system of internal control and liaising with external auditors on related matters.
- ii. **Remuneration Committee:** This committee is responsible for recommending a framework for remuneration packages for the Directors, Chairman and Key Executive Officers of the company. They ensure that remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.
- iii. **Nominating Committee:** This committee reviews and recommends the appointment or re-nomination of new Directors and Executive Officers based on performance, commitment and the needs of the Group through an extensive review process conducted at least once a year.

## SUSTAINABILITY REPORT

### **Business Ethics**

All our employees are accountable for their actions and inactions. We are committed to fostering a strong ethical culture and conducting our activities in compliance with all applicable legal and regulatory requirements. Honesty, integrity and respect are core elements of our code of business conduct.

The policies we have in place are comprehensive and cover all aspects of our business dealings, the list of policies approved by the Board includes:

1. Insider Trading Policy
2. Staff Dealing Policy
3. Major Transactions Policy
4. Conflict of Interest Policy
5. Whistleblowing Policy
6. Confidential Information Policy
7. Personal Data Protection Policy

Through these policies, our employees are mandated to act with integrity and honesty when dealing with clients, regulators and other stakeholders. These policies outline the procedures to mitigate and manage compliance-related risks. Incidents related to the breach of these policies are reported to the Audit and Risk Committee ("ARC") immediately. The ARC is tasked to monitor compliance, conduct investigations, exercise the necessary actions and report to the Board.

The Board reviews the policies on an annual basis and considers the necessary changes required.

We have not conducted any employee or Board training concerning these topics in FY2022. Currently, Yangzijiang Financial is formalising a mandatory compliance training on topics like anti-bribery and anti-corruption and plans to roll it out in FY2023. The attendance of these training will be recorded and reported accordingly. This will be held on an annual basis.

In FY2022, The Group is not aware of any incident of corruption by our employees.

### **Non-Compliance**

In FY2022, there was one (1) incident of non-compliance with SGX-ST Listing Rule 1207 (19(c)) concerning share buy-back. Under the mandate, the Group is not allowed to conduct any share buy-backs during the period commencing one month immediately preceding the announcement of our half-year and full-year financial statements.

While no price-sensitive development has occurred, the Group conducted share buy-backs from 15 July 2022 to 18 July 2022. This fell within the period commencing one month immediately preceding the announcement date of our half-year financial statements.

Immediately after the ARC was notified of the incident, the Group voluntarily reported the case to SGX-ST. An announcement was subsequently made through the SGX-ST website. We were not subject to any financial penalty or regulatory action.

Since then, we have conducted a review of our procedures and have strengthened the control measures to prevent a recurrence.

## SUSTAINABILITY REPORT

### Membership in Associations

In May 2022, Yangzijiang Financial joined 19 other companies listed on the SGX-ST to form an association called SGListCos. Still at its nascent stage, the new association has identified three (3) areas of focus, namely, (i) Thought leadership and advocacy, (ii) The ESG ecosystem, as well as (iii) Corporate access and investor relations.

### Data Privacy and Cyber Security

Yangzijiang Financial has a responsibility in protecting the personal data of our stakeholders including employees and shareholders. Currently, we have two sets of policies, the confidential information policy and the personal data protection policy, that outline how we should collect, store, use and safeguard the personal information of our stakeholders. The personal data protection policy is aligned with, among others, the Personal Data Protection Act 2012 of Singapore (“**PDPA**”).

These policies are communicated to all employees during onboarding and on an ongoing basis. Any breach of these policies is regarded as serious misconduct and may result in disciplinary action being taken, including immediate termination of services or employment by the Group.

The ARC will review the policy on a regular basis to ensure compliance with the latest local government regulation. Any revision will be presented to the Board for approval.

In FY2022, we did not record any incident of confidential information leakage.

Currently, the Group has yet launched any financial products or services to third-party investors. We will establish the relevant cybersecurity infrastructure to ensure that the data and information of our future customers are secure.



## SUSTAINABILITY REPORT

### COMMUNITY

#### SGX Cares Bull Charge Charity Run 2022

In November 2022, the Group participated in the 19<sup>th</sup> edition of SGX Cares Bull Charge Charity Run, which was a fundraising event involving the financial community and SGX-listed companies. The initiative supports the needs of underprivileged children and families, persons with disabilities as well as the elderly. Yangzijiang Financial donated S\$5,000 for the cause.



#### Collaboration with Singapore Management University

In the second half of 2022, Yangzijiang Financial participated as an industry partner in Singapore Management University's signature SMU-X programme. The initiative was set up by the University to provide a hands-on, experiential learning framework for their students. In the course, the students were presented with case studies focusing on practical ways to incorporate ESG factors into investment processes. They also learnt to better identify potential material data for sustainability reporting. Throughout the semester, we actively mentored the students, shared real-world experiences during lectures and provided constructive feedback on their final projects.



#### Other Related Outreach

In FY2022, Mr Ren Yuanlin, the Group's Executive Chairman donated approximately RMB22 million to universities and geriatric rehabilitation centres in the PRC. The donation was conducted through his foundation, the Jiangsu Yuanlin Charity Foundation, which was established in 2012.



## SUSTAINABILITY REPORT

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2-5	External assurance	24
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## SUSTAINABILITY REPORT

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## CORPORATE GOVERNANCE REPORT

YANGZIJIANG FINANCIAL HOLDING LTD. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to achieving and maintaining high standards of corporate governance in all activities undertaken by the Group. The Group’s corporate governance practices and processes are guided by the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and relevant sections of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

This report sets out the Group’s corporate governance practices that were adopted and put in place since the Company’s listing on the Mainboard of the SGX-ST by introduction on 28 April 2022, and which were benchmarked against the Code. The Company has complied with the principles and substantially with the provisions of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this report.

### BOARD MATTERS

#### The Board’s Conduct of Affairs

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

#### **Role of the Board (Provisions 1.1 and 1.2)**

The Board has the overall responsibility to oversee the strategic direction, performance and affairs of the Group and provides overall guidance to the management of the Company (the “**Management**”). Besides its statutory responsibilities, the Board’s principal duties include:

- (a) providing entrepreneurial leadership, setting the strategic directions and the long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- (b) constructively challenging the Management and reviewing its performance;
- (c) ensuring the adequacy of internal controls, risk management, financial reporting and compliance;
- (d) assuming corporate governance responsibilities;
- (e) assessing Management’s performance;
- (f) considering sustainability issues including environmental and social factors in the Group’s strategic formulation; and
- (g) ensuring transparency and accountability to key stakeholder groups.

Directors are fiduciaries of the Company and are collectively and individually always obliged to act objectively in the best interests of the Company. The Board of Directors (the “**Board**”) has put in a place a code of conduct and ethics to set the appropriate tone from the top for the Group in respect of ethics, values and organisational culture, and ensure proper accountability within the Group. Pursuant to the code of conduct and ethics, when faced with conflicts of interests, the Directors shall recuse themselves from discussions and decisions involving issues of conflict.

## CORPORATE GOVERNANCE REPORT

Currently, the Company does not have a formal training programme for new Director(s). However, the Board ensures that incoming new Director(s) are given a comprehensive and tailored induction programme on joining the Board including onsite visits. This helps to familiarise Director(s) with the business of the Group and corporate governance practices upon their appointments and facilitate the effective discharge of their duties. Newly appointed Director(s) will be provided a formal letter setting out their duties and obligations. They will be given briefings by the Management on the business activities of the Group and its strategic directions as well as its corporate governance practices. The newly appointed Directors who have no prior experience as a Director of a listed company in Singapore must undergo mandatory training in his/her roles and responsibilities as prescribed by the SGX-ST.

Following their appointment, Directors are provided with opportunities for continuing education in areas such as Directors' duties and responsibilities and changes to regulations, risk management and accounting standards. The objective is to enable them to be updated on matters that affect or go towards enhancing their performance as Directors or Board Committee members. Directors may also contribute by recommending suitable training and development programmes to the Board.

### ***Board Approval (Provision 1.3)***

Matters requiring the Board's approval include the following:

- (a) the Group policies, strategies and objectives;
- (b) annual budgets;
- (c) annual and interim financial statements;
- (d) all announcements of the Company;
- (e) appointment of Directors and key management personnel;
- (f) hedging policies;
- (g) interim dividends and other returns to shareholders;
- (h) share or bond issuances;
- (i) annual report and sustainability reports;
- (j) major investments or divestments;
- (k) material acquisitions or disposals of assets; and
- (l) remuneration policy and framework for key management personnel.

Matters requiring the Board's approval have been clearly communicated to the Management in writing.

## CORPORATE GOVERNANCE REPORT

### ***Delegation by the Board (Provision 1.4)***

The Board has delegated specific responsibilities to the committees of the Board, namely, the Nominating Committee (“**NC**”), the Remuneration Committee (“**RC**”), the Audit and Risk Committee (“**ARC**”) (collectively, the “**Board Committees**”) to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively and reporting back to the Board. Each Board Committee has its own specific Terms of Reference (“**TOR**”) which clearly sets out the composition, duties, authority and responsibilities of such Board Committee, qualifications for membership in such Board Committee, and procedures governing the manner in which such Board Committee operates and makes decisions.

### ***Board and Board Committees Meetings (Provision 1.5)***

The Board meets on a regular basis to approve, among others, announcements of the Group’s half and full year financial results. Additional meetings are also convened to discuss and deliberate on urgent substantive matters or issues when circumstances require Board and Board Committees meetings as well as the annual general meeting (“**AGM**”) are scheduled in advance in consultation with the Board. The Board may also have informal discussions on matters requiring urgent attention which would then be formally approved by circular resolutions in writing. In the event when Directors are unable to attend meetings in person, the Company’s Constitution provides for meetings to be held via telephone conference or other methods of simultaneous communication by electronic or telegraphic means. Management has access to the Directors for guidance or exchange of views outside of the formal environment of the Board meetings.

The number of meetings of Board and Board Committees held during FY2022 and the attendance of each Director at those meetings are set out as follows:

Name of Directors	Board of Directors		Audit and Risk Committee		Nominating Committee		Remuneration Committee		Annual General Meeting	
	No. of meeting		No. of meeting		No. of meeting		No. of meeting			
	Held	Attended	Held	Attended	Held	Attended	Held	Attended		
Ren Yuanlin	2	2	–	–	–	–	–	–	–	
Chew Sutat	2	2	3	3	–	–	–	–	–	
Yee Kee Shian, Leon	2	2	3	3	–	–	–	–	–	
Chua Kim Leng	2	2	3	3	–	–	–	–	–	
Toe Teow Heng	2	2	3*	3*	–	–	–	–	–	

\* By invitation

The Board values the importance of Directors’ attendance at Committee and Board meetings but agrees that it should not be the only criterion to measure their contributions. Our Directors have made a conscious effort to make themselves available and accessible to the Management for discussion and consultation outside the framework of formal meetings. The Board also takes into consideration other criteria in assessing Board members’ contributions including periodical reviews, the nature and extent of their guidance and expertise rendered to the committees on which they sit and the scope of advice given on various matters relating to the Group. Directors with multiple board representations also ensure that sufficient time and attention are given to the affairs of each Company.

## CORPORATE GOVERNANCE REPORT

### ***Access to Information (Provision 1.6)***

All Directors have the opportunity to meet with management to obtain a better understanding of the business operations. Below are some of the updates provided to the Directors in FY2022:

- The external auditors, PricewaterhouseCoopers LLP, has briefed the ARC members on the latest developments in accounting and corporate governance standards at their attendance in the ARC meetings;
- Information on new audit quality indicators framework;
- The Executive Chairman has updated the Board at each Board meeting on the business outlook of investment industry and the direction of the Group;
- The Chief Financial Officer (“CFO”) has updated the Board at each Board meeting on each segmental business operation and development of the Group; and
- Chief Risk Officer has updated the ARC members on risk exposures and other important risk related matters.

Management recognises the importance of ensuring the flow of complete, adequate, and timely information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. Board and Board Committee papers are generally provided to members prior to the meetings, with sufficient time to enable the Directors to obtain further explanations, where necessary, and prepare for the meetings. Any additional material or information requested by the Directors is promptly furnished.

Management’s proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions, and recommendations. Any additional materials or information requested by the Directors are promptly furnished. If necessary, employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committees meetings. In order to keep Directors abreast of the Group’s operations, the Directors are also updated on initiatives and developments on the Group’s business as soon as practicable and/or possible and on an on-going basis.

### ***Access to Management, Company Secretary and Advisers (Provision 1.7)***

All Directors have access to the Company’s senior management, including the CEO, the CFO and other key management, as well as the Group’s internal and external auditors. To facilitate direct access to management, Directors are also provided with the names and contact details of the management team. The Directors also have separate and independent access to the Company Secretary through e-mail, telephone, and face-to-face meetings. The Company Secretary is responsible for, among other things, ensuring that the Board’s procedures are observed and the Company’s Constitution, relevant rules, and regulations, including requirements of the Securities and Futures Act, Companies Act and SGX-ST Listing Manual (“***Listing Manual***”) are complied with.

The Company Secretary attends all Board meetings and Board Committees meetings and records the proceedings and decisions of the Board and of the Board Committees. The Company Secretary ensures that the corporate secretarial aspects of procedures concerning the Board are duly complied with. The appointment and the removal of the Company Secretary are subject to the Board’s approval.

The Directors, whether as a full Board or in their individual capacity may seek independent professional advice in the furtherance of their duties from time to time. The cost of such professional advice will be borne by the Company. There was no such requirement during the year under review.

## CORPORATE GOVERNANCE REPORT

### Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

#### **Board Independence (Provisions 2.1, 2.2 and 2.3)**

Each of the Independent Directors has confirmed that he does not have any relationship with the Company or its related corporations, its substantial shareholders or its officers including confirming not having any relationships and circumstances provided in Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules of the SGX-ST, that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment in carrying out the functions as an Independent Director with a view to the best interests of the Group.

The independence of each Independent Non-Executive Director is assessed at least annually by the NC as mentioned under Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules of the SGX-ST. The NC has affirmed that Mr Chew Sutat, Mr Yee Kee Shian, Leon, and Mr Chua Kim Leng are independent and free from any relationship as outlined above. Each Independent Non-Executive Director has also completed and submitted an independence declaration form annually to confirm his independence. The Singapore Exchange Regulation had announced on 11 January 2023, to impose a maximum tenure of nine years for Independent Directors serving on the boards of issuers listed on SGX-ST. The NC had reviewed and affirmed that no Independent Non-Executive Director has served in aggregate more than nine years on the Board.

As the Executive Chairman is part of the management team, the Board has reviewed the percentage of Independent Directors on the Board, the Board believes that the Executive Chairman has always acted and will continue to act at all times in the best interest of shareholders as a whole and will strive to protect and enhance the long-term shareholder values and the financial performance of the Group.

As the Chairman is not an Independent Director, the Company has complied with the relevant provision as Independent Non-Executive Directors make up a majority of the Board pursuant to Provision 2.2 and 2.3 of the Code.

#### **Board Composition (Provision 2.4)**

The Board currently has five (5) Directors, comprising two (2) Executive Directors and three (3) Independent Non-Executive Directors. The members of the Board and their membership on the Board Committees of the Company as of FY2022 are as follows:-

Name of Directors	Board Membership	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Ren Yuanlin	Executive Chairman	-	-	-
Chew Sutat	Lead Independent Non-Executive Director	Member	Member	Member
Yee Kee Shian, Leon	Independent Non-Executive Director	Member	Chairman	Chairman
Chua Kim Leng	Independent Non-Executive Director	Chairman	Member	Member
Toe Teow Heng	Executive Director, CEO and CIO – Singapore	-	-	-

## CORPORATE GOVERNANCE REPORT

The Directors bring with them a broad range of business and financial experience, skills and expertise in law, finance, industry, business and management and general corporate matters. Their profiles are set out on pages 11 to 12 of this Annual Report.

The NC is of the view that the present Board size of five (5) is appropriate for the Group's present scope of operations to facilitate decision making and the Board has an adequate mix of competency to discharge its duties and responsibilities. Further, no individual or small group of individuals dominates the Board's decision-making process. The NC will further consider other aspects of diversity such as gender and age and assist the Board to put in place a board diversity policy and progress for implementation of such policy, so as to avoid groupthink and foster constructive debate.

### ***Independent Non-Executive Directors meet regularly without the presence of Management (Provision 2.5)***

The Independent Non-Executive Directors communicated without the presence of Management as and when the need arose. The Chairman of such meetings provides feedback to the Board and/or Executive Chairman as appropriate.

#### **Chairman and Chief Executive Officer**

***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

#### ***Roles of the Executive Chairman and Chief Executive Officer ("CEO") (Provisions 3.1 and 3.2)***

The roles of the Chairman of the Board and the CEO are separate to ensure clear distinction of responsibilities, appropriate balance of power and increased accountability. Mr Ren Yuanlin serves as the Executive Chairman of the Group, whereas Mr Toe Teow Heng is the Group's CEO. Mr Toe Teow Heng reports to the Board led by the Executive Chairman.

The division of responsibilities between the Chairman and the CEO is clearly established in the Constitution of the Company. The Chairman manages the business of the Board whilst the CEO and his management team translate the Board's decisions into executive action. The CEO has executive responsibilities for the Group's businesses and is accountable to the Board.

The Chairman:

- is responsible for leadership of the Board and is pivotal in creating the conditions for overall effectiveness of the Board, Board Committees, and individual Directors;
- takes a leading role in the Company's drive to achieve and maintain high standards of corporate governance with the full support of the Directors, Company Secretary and Management;
- approves agendas for Board meetings and ensures sufficient allocation of time for thorough discussion of agenda items.
- promotes an open environment for debates and ensures participants are able to speak freely and contribute effectively;
- ensure the quality, quantity and timeliness of information flow between the Board and Management;
- provides close oversight of guidance and advice to the CEO and Management; and
- plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management at AGMs and other shareholders' meetings.

## CORPORATE GOVERNANCE REPORT

The CEO is the highest-ranking executive officer of the Group and is responsible for:

- running the day-to-day business of the Group, within the authorities delegated to him by the Board;
- ensuring the implementation of policies and strategy across the Group as set by the Board;
- managing the executives and management team;
- overseeing the training and development of the management;
- ensuring that the Chairman is kept apprised in a timely manner of issues faced by the Group and of any important events and developments; and
- leading the development of the Group's strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses.

### ***Lead Independent Director (Provision 3.3)***

Mr Chew Sutat is the Lead Independent Non-Executive Director of the Company and his main duties are to facilitate the functioning of, and provide leadership to, the Board if circumstances arise in which the Executive Chairman may be (or perceived to be) in conflict. He is a key contact point for shareholders and other stakeholders, especially when the normal channels of communication with the Executive Chairman or the Management are inappropriate or inadequate.

### **Board Membership**

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.***

### ***NC Composition and Role (Provisions 4.1 & 4.2)***

The NC consists of three (3) Independent Non-Executive Directors:

Mr Yee Kee Shian, Leon, Chairman	(Independent Non-Executive Director)
Mr Chew Sutat	(Lead Independent Non-Executive Director)
Mr Chua Kim Leng	(Independent Non-Executive Director)

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all Board appointments and re-appointments. The key terms of reference of the NC include the following:

- (a) reviewing and recommending the appointment of new Directors and executive officers and re-nomination of the Directors having regard to each Director's expertise, contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitments outside the Group, including his or her principal occupation and board representations on other companies, if any. The NC shall conduct such reviews at least once a year or more frequently as it deems fit;
- (b) reviewing the succession plans for the Directors, in particular the appointment and/or replacement of the Chairman CEO and key management personnel of the Company;

## CORPORATE GOVERNANCE REPORT

- (c) reviewing the structure, size and composition of the Board and the Board committees to ensure each committee comprises an appropriate mix of skills, experience, core competencies and knowledge relevant to the needs of the Group that the Board and the relevant Board committees require to function competently and efficiently;
- (d) determining the independence of Directors annually in accordance with the Listing Manual of the SGX-ST and the Code of Corporate Governance 2018, and providing its views to the Board for further consideration;
- (e) developing an objective process and criteria for evaluating the performance of the Board as a whole and its committees, and for assessing the contribution by the Chairman and each individual Director to the effectiveness of the Board;
- (f) approving any proposed assumption of roles outside of the Group by a legal representative of the People's Republic of China (the "**PRC**") subsidiaries of the Group;
- (g) reviewing and approving the employment of persons related to the Directors or substantial shareholders of the Company and the proposed terms of their employment;
- (h) deciding whether or not a Director is able to and has been adequately carrying out his/her duties as a Director.

### ***Process for the selection, appointment, and re-appointment of Directors (Provision 4.3)***

The NC has in place a formal process for the selection of new Directors and re-appointment of Directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment. In selecting potential new Directors, the NC will seek to identify the competencies and expertise required to enable the Board to fulfil its responsibilities. The NC will evaluate the suitability of the nominee or candidate based on his qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board, before making its recommendation to the Board. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his/her contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's business and affairs) and his/her independence. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required. The Board, on the recommendation of the NC, appoints new Directors.

In accordance with the Regulation 98 of the Company's Constitution, all Directors are required to retire from office at least once every three (3) years. Directors will be eligible for re-election at the Company's AGM at which he/she retires. In addition, Regulation 97 of the Company's Constitution stipulates that a Director newly appointed by the Board during the financial year must retire and submit himself/herself for re-appointment at the next AGM following his/her appointment. Thereafter, the Director is subject to be re-appointed at least once every three years at the Company's AGM.

## CORPORATE GOVERNANCE REPORT

In this respect, the NC has recommended and the Board has agreed for the following Directors who are due for retirement and re-election, pursuant to Regulation 99 of the Constitution of the Company, to seek re-election at the forthcoming AGM:

- (a) Mr Ren Yuanlin
- (b) Mr Toe Teow Heng
- (c) Mr Chew Sutat
- (d) Mr Yee Kee Shian, Leon; and
- (e) Mr Chua Kim Leng

Mr Ren Yuanlin will, upon re-election, remain as the Executive Chairman of the Company.

Mr Toe Teow Heng will, upon re-election, remain as an Executive Director and the CEO of the Company.

Mr Chew Sutat will, upon re-election, remain as the Lead Independent Non-Executive Director and as the Member of the Nominating, Remuneration and Audit and Risk Committees and will be considered independent for the purpose of Rule 704(8) of the Listing Manual. There are no relationships (including immediate family relationships) between Mr Chew Sutat and the other Directors, or the Company, or its substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment in carrying out the functions as an Independent Director with a view to the best interests of the Group.

Mr Yee Kee Shian, Leon will, upon re-election, remain as the Chairman of the Nominating and Remuneration Committees and Member of the Audit and Risk Committees and will be considered independent for the purpose of Rule 704(8) of the Listing Manual. There are no relationships (including immediate family relationships) between Mr Yee Kee Shian, Leon and the other Directors, or the Company, or its substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment in carrying out the functions as an Independent Director with a view to the best interests of the Group.

Mr Chua Kim Leng will, upon re-election, remain as the Chairman of the Audit and Risk Committees and Member of the Nominating and Remuneration Committees and will be considered independent for the purpose of Rule 704(8) of the Listing Manual. There are no relationships (including immediate family relationships) between Mr Chua Kim Leng and the other Directors, or the Company, or its substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment in carrying out the functions as an Independent Director with a view to the best interests of the Group.

In making the recommendations, the NC considers the overall contribution and performance of the Directors. Mr Yee Kee Shian, Leon, Mr Chew Sutat and Mr Chua Kim Leng are members of the NC, and had abstained from deliberation in respect of his own nomination and assessment.

### ***Determination of Independence of a Director (Provision 4.4)***

The NC has reviewed the independence of the Directors as mentioned under Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules of the SGX-ST. The NC has affirmed that Mr Chew Sutat, Mr Yee Kee Shian, Leon, and Mr Chua Kim Leng are independent and free from any relationship outlined in the Code. Each of the Independent Non-Executive Directors has completed and submitted an independence declaration form to confirm his independence.

## CORPORATE GOVERNANCE REPORT

Under Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST, which is effective from 11 Jan 2023, a Director will not be independent if he has been a Director for an aggregate period of more than nine years. Such Director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. Rule 210(5)(d)(iv) takes effect for an issuer's annual general meeting for the financial year ending on or after 31 December 2023.

The Board provides for the appointment of alternate Directors when any of the Directors think fit. The Board will take into consideration the same criteria for selection of Directors such as his qualifications, mix skills sets and competencies.

### ***Directors' Ability to Commit Time and Key Information on Directors (Provision 4.5)***

In assisting the NC to determine whether Directors who are on multiple boards have committed adequate time to discharge their responsibilities towards the Company's affairs, the NC had considered the attendances and contributions of Directors to the Board and Board Committees but does not make any recommendation on setting the maximum number of listed company board appointment to which any Director may hold given that the multiple Board representation by the Independent Non-Executive Directors do not hinder each Director from carrying out his duties as a Director adequately. Having reviewed each Director's Directorships in other companies as well as each Director's attendance and contribution to the Board in FY2022, the NC is satisfied that the Directors have spent adequate time on the Company's affairs and have duly discharged their responsibilities. All Independent Non-Executive Directors are required to declare their Board representations at the Board meeting whenever there is a change and at the beginning of each financial year.

Key information of each Director's academic, professional qualifications, listed company Directorships and other principal commitments can be found on pages 11 and 12 of the "**Board of Directors**" section of this Annual Report.

Directors' key information are set out below:

Name of Directors	Date of First Appointment	Present Directorships and Chairmanships in Other Listed Companies	Directorships and Chairmanships in Other Listed Companies over the preceding three years
Ren Yuanlin	14 Dec 2021	Nil	Nil
Chew Sutat	25 Mar 2022	Nil	Nil
Yee Kee Shian, Leon	25 Mar 2022	F J Benjamin Holdings Ltd Yangzijiang Shipbuilding (Holdings) Ltd. LHN Logistics Limited	Federal International (2000) Ltd Laura Ashley Holdings PLC Pacific Star Development Limited (F.K.A. LH Group Limited)
Chua Kim Leng	25 Mar 2022	United Overseas Insurance Ltd Teho International Inc Ltd	Nil
Toe Teow Heng	27 Jan 2022	Nil	Yangzijiang Shipbuilding (Holdings) Ltd Tianjin Zhong Xin Pharmaceutical

## CORPORATE GOVERNANCE REPORT

Pursuant to Rule 720(6) of the Listing Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7.4.1 of the Listing Rules of the SGX-ST are disclosed below:

	<b>REN YUANLIN</b>
Date of Appointment	14 Dec 2021
Date of last re-appointment (if applicable)	Not Applicable
Age	69
Country of principal residence	PRC
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Ren Yuanlin as the Executive Chairman of the Company was recommended by the Nominating Committee ("NC") and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution.
Whether appointment is executive, and if so, the area of responsibility	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman
Professional qualifications	College Diploma from Jiangsu Radio and TV University (1986)
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2022 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Mr Ren Yuanlin is deemed to be interested in 852,845,825 Shares held by Yangzi International Holdings Limited.
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	Yes
Past (for the last 5 years)	<ul style="list-style-type: none"> <li>- JINGJIANG RUNYUAN (GROUP COMPANIES)</li> <li>- JIANGSU YANGZI SHENGDA PAPER TECHNOLOGY DEVELOPMENT CO., LTD.</li> <li>- JIANGSU XINFU HEAVY INDUSTRY MACHINERY CO., LTD</li> <li>- ZHUHAI LEADING POWER FINANCIAL LEASING CO., LTD.</li> <li>- JINGJIANG XINYUAN INVESTMENT CO., LTD.</li> <li>- JIANGSU YANGZIJIANG SHIPBUILDING CO., LTD.</li> <li>- JIANGSU YANGZI XINFU SHIPBUILDING CO., LTD.</li> <li>- YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD</li> </ul>

## CORPORATE GOVERNANCE REPORT

Present	<ul style="list-style-type: none"> <li>- YUNNAN DOUYUE MINING CO., LTD.</li> <li>- JIANGSU RUNHUA TECHNOLOGY INVESTMENT CO., LTD.</li> <li>- JIANGSU ZHONGTAI STRUCTURAL STEEL CO., LTD.</li> <li>- JIANGYIN ZHONGJI MINING INVESTMENT CO., LTD.</li> <li>- JIANGSU YANGCHUAN INVESTMENT DEVELOPMENT CO., LTD.</li> <li>- GEM ASSET MANAGEMENT PTE. LTD.</li> <li>- NEWYARD WORLDWIDE HOLDINGS LTD.</li> </ul>
<b><u>Information required</u></b>	
<b>Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

## CORPORATE GOVERNANCE REPORT

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> <li>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</li> </ul>	No  No

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iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
<b><u>Information required</u></b>	
<b>Disclosure applicable to the appointment of Director only</b>	
Any prior experience as a Director of an issuer listed on the Exchange?  If yes, please provide details of prior experience.  If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange.  Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable

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	<b>CHEW SUTAT</b>
Date of Appointment	25 Mar 2022
Date of last re-appointment (if applicable)	Not Applicable
Age	50
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Chew Sutat as the Lead Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences, and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Lead Independent Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Non-Executive Director, Member of Audit and Risk Committee, Remuneration Committee and Nominating Committee
Professional qualifications	<ul style="list-style-type: none"> <li>- Bachelor of Arts (First Class Honours) degree in Philosophy Politics &amp; Economics (PPE) from Oxford University</li> <li>- Master of Arts degree from Oxford University</li> </ul>
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2022 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	888,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

## CORPORATE GOVERNANCE REPORT

Other Principal Commitments Including Directorships	Yes
Past (for the last 5 years)	<ul style="list-style-type: none"> <li>- ASIAN GATEWAY INVESTMENTS LTD</li> <li>- ASIAN GATEWAY INVESTMENTS (CHINA) PTE. LTD.</li> <li>- AVALON ASIA CAPITAL PTE. LTD.</li> <li>- CAPBRIDGE PTE. LTD.</li> <li>- RESILIENCE COLLECTIVE LTD</li> <li>- SHANGHAI YAXU CONSULTANCY COMPANY LIMITED</li> <li>- QUOINE PTE LTD</li> <li>- FTX DIGITAL HOLDINGS (SINGAPORE) PTE LTD</li> <li>- CAREGIVERS ALLIANCE LIMITED (CAL) LTD</li> </ul>
Present	<ul style="list-style-type: none"> <li>- INCOME INSURANCE LIMITED</li> <li>- NATIONAL COUNCIL OF SOCIAL SERVICE</li> <li>- NANYANG TECHNOLOGICAL UNIVERSITY – NTUITIVE PTE LTD</li> <li>- SHAN DE ADVISORS PTE LTD</li> <li>- ICHX TECH PTE LTD</li> </ul>

### Information required

**Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.**

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No

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(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> </ul>	No

## CORPORATE GOVERNANCE REPORT

ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
v. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
vi. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
<b><u>Information required</u></b>	
<b>Disclosure applicable to the appointment of Director only</b>	
Any prior experience as a Director of an issuer listed on the Exchange?  If yes, please provide details of prior experience.	Not Applicable
If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange.	
Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).	

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	<b>YEE KEE SHIAN, LEON</b>
Date of Appointment	25 Mar 2022
Date of last re-appointment (if applicable)	Not Applicable
Age	47
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Yee Kee Shian, Leon as the Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Independent Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Nominating and Remuneration Committees, and Member of Audit and Risk Committee
Professional qualifications	<ul style="list-style-type: none"> <li>- Honours in Law at Christ's College, Cambridge University on a Cambridge Commonwealth Trust Scholarship (2000)</li> <li>- Master of Arts from Christ's College, Cambridge University (2006)</li> </ul>
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2022 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

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Other Principal Commitments Including Directorships	Yes
Past (for the last 5 years)	<ul style="list-style-type: none"> <li>- CAMBRIDGE ALLIANCE CHINA GROUP PTE. LTD.</li> <li>- CAMBRIDGE ALLIANCE GLOBAL HOLDINGS PTE. LTD.</li> <li>- CAMBRIDGE ALLIANCE REALTOR PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 1 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 10 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 11 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 2 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 3 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 4 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 5 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 6 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 7 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 8 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS FUND NO. 9 PTE. LTD.</li> <li>- CAMBRIDGE RE ASSETS PTE. LTD.</li> <li>- FEDERAL INTERNATIONAL (2000) LTD</li> <li>- KNIGHTSBRIDGE AUTO PTE. LTD.</li> <li>- KNIGHTSBRIDGE FUND NO. 1 PTE. LTD.</li> <li>- KNIGHTSBRIDGE FUND NO. 2 PTE. LTD.</li> <li>- KRYSTAL TITAN PTE. LTD.</li> <li>- LAURA ASHLEY HOLDINGS PLC</li> <li>- PACIFIC STAR DEVELOPMENT LIMITED (F.K.A. LH GROUP LIMITED)</li> <li>- PENTAGON FOOTBALL CENTRE PTE. LTD.</li> <li>- PURPLE SUNSHINE PTE. LTD.</li> <li>- RABBIT COLORS PTE. LTD.</li> <li>- SWEET ORCHID PTE. LTD.</li> <li>- THE KNIGHTSBRIDGE GROUP PTE. LTD.</li> <li>- YELLOW LULLABY PTE. LTD.</li> <li>- LHN LOGISTICS PTE. LTD.</li> </ul>
Present	<ul style="list-style-type: none"> <li>- F J BENJAMIN HOLDINGS LTD</li> <li>- CHRIST'S COLLEGE, CAMBRIDGE FUND (SINGAPORE) LIMITED</li> <li>- CHAR YONG (DABU) FOUNDATION LIMITED</li> <li>- ST. JOSEPH'S INSTITUTION PHILANTHROPIC FUND FOR THE LASALLIAN MISSION LTD.</li> <li>- CAELIUS PTE. LTD.</li> <li>- EE HOE HEAN CLUB</li> <li>- SELVAM LLC</li> <li>- CAMBRIDGE ALLIANCE CAPITAL PTE. LTD.</li> <li>- CAMBRIDGE ALLIANCE FUND NO.1 PTE. LTD.</li> <li>- LADDERMAN (HK) LIMITED</li> <li>- LADDERMAN LIMITED</li> <li>- DUANE MORRIS &amp; SELVAM LLP</li> </ul>

## CORPORATE GOVERNANCE REPORT

<b><u>Information required</u></b>	
<b>Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	<p>Yes, the relevant entity is Laura Ashley Holdings Plc (the “Laura Ashley”). Mr Yee Kee Shian, Leon stepped down as an independent director of Laura Ashley on 16 March 2020. Laura Ashley subsequently appointed PricewaterhouseCoopers as administrators on 23 March 2020.</p> <p>This was due to the COVID-19 outbreak, which had an immediate and significant impact on trading of Laura Ashley and its subsidiaries (the “LA Group”). Based on the LA Group’s cashflow forecasts and the increased uncertainty, the LA Group expected that it would not be in a position to draw down additional funding in a timely manner sufficient to support its working capital requirements, and therefore Laura Ashley appointed administrators. Laura Ashley subsequently moved into creditors’ voluntary liquidation with the appointment of a voluntary liquidator on 31 March 2021. Mr Yee Kee Shian, Leon had not undertaken any executive roles and responsibilities in Laura Ashley. Apart from Laura Ashley, he is not a director of any entities which has been wound up or dissolved at present or at any time within two (2) years from the date that he ceased to be a director.</p>
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

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(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> <li>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</li> </ul>	<p>No</p> <p>No</p>

## CORPORATE GOVERNANCE REPORT

<p>vii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>viii. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,             in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p>
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	<p>No</p>

### Information required

#### **Disclosure applicable to the appointment of Director only**

<p>Any prior experience as a Director of an issuer listed on the Exchange?             If yes, please provide details of prior experience.             If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange.             Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Yes             Current Listed Company Directorship:             FJ Benjamin Holdings Ltd            LHN Logistic Limited            Yangzijiang Shipbuilding (Holdings) Ltd.             Previous Listed Company Directorships:             Federal International (2000) Ltd            Pacific Star Development Limited            Laura Ashley Holdings Plc</p>
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## CORPORATE GOVERNANCE REPORT

	<b>CHUA KIM LENG</b>
Date of Appointment	25 Mar 2022
Date of last re-appointment (if applicable)	Not Applicable
Age	54
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Chua Kim Leng as the Independent Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Independent Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of Audit and Risk Committee, and Member of Nominating and Remuneration Committees
Professional qualifications	Bachelor of Business Administration (Honours) from the National University of Singapore (1994)
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2022 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	200,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	Yes
Past (for the last 5 years)	<ul style="list-style-type: none"> <li>- AYUMU SINGAPORE PTE. LTD.</li> <li>- SYGNUM PTE. LTD.</li> <li>- TERNARY ASIA MASTER FUND PTE. LTD.</li> <li>- TERNARY CENTENNIAL PTE. LTD.</li> <li>- TERNARY FUND MANAGEMENT PTE. LTD.</li> <li>- TERNARY PBP CAPITAL PRIVATE LIMITED</li> </ul>
Present	<ul style="list-style-type: none"> <li>- GAMBLING REGULATORY AUTHORITY</li> <li>- ICHX TECH PTE. LTD.</li> <li>- SYGNUM BANK AG</li> <li>- TEHO INTERNATIONAL INC LTD</li> <li>- UNITED OVERSEAS INSURANCE LTD</li> </ul>

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<b><u>Information required</u></b>	
<b>Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

# CORPORATE GOVERNANCE REPORT

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> <li>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</li> </ul>	No

## CORPORATE GOVERNANCE REPORT

<p>ix. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>x. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p>
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>

### **Information required**

#### **Disclosure applicable to the appointment of Director only**

<p>Any prior experience as a Director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable</p>
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## CORPORATE GOVERNANCE REPORT

	<b>TOE TEOW HENG</b>
Date of Appointment	27 Jan 2022
Date of last re-appointment (if applicable)	Not Applicable
Age	55
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Toe Teow Heng as the Executive Chairman of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution.
Whether appointment is executive, and if so, the area of responsibility	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, CEO and CIO – Singapore
Professional qualifications	<ul style="list-style-type: none"> <li>– Bachelor of Business (First Class Honours, Gold Medal) Degree from Nanyang Technological University of Singapore</li> <li>– Chartered Financial Analyst.</li> </ul>
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2022 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	<p>600,000 ordinary shares in the Company.</p> <p>Mr Toe Teow Heng is deemed to be interested in 7,386,200 Shares through his 29.90% interest in ICH Group Ltd which holds the Shares through its wholly owned subsidiaries.</p>
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

## CORPORATE GOVERNANCE REPORT

Other Principal Commitments Including Directorships	Yes
Past (for the last 5 years)	<ul style="list-style-type: none"> <li>- YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD</li> <li>- A21 PTE. LTD.</li> <li>- EAGLE HEALTHCARE INTERNATIONAL PTE. LTD.</li> <li>- HEXATON CAPITAL PTE. LTD.</li> <li>- ICAPITAL HOLDINGS (SG) PTE. LTD.</li> <li>- ICH CHINA PTE. LTD.</li> <li>- PROMETHEUS (S) PTE. LTD.</li> <li>- SKIN INC GLOBAL PTE. LTD.</li> <li>- TIANJIN ZHONG XIN PHARMACEUTICAL GROUP CORPORATION LIMITED</li> <li>- ICH GROUP LTD</li> <li>- ICH SINGAPORE HOLDINGS PTE. LTD.</li> <li>- ICH GEMINI HEALTHCARE RE FUND VCC</li> <li>- ICH ORION HEALTHCARE MASTER FUND VCC</li> </ul>
Present	<ul style="list-style-type: none"> <li>- ICH CAPITAL PTE LTD</li> <li>- ICH GEMINI ASIA GROWTH FUND PTE. LTD.</li> <li>- ICH INVESTMENT PTE. LTD.</li> <li>- ICH PARTNERS LTD</li> <li>- NEWFORT LAND PTE. LTD.</li> <li>- NEWFORT REALTY PTE. LTD.</li> <li>- SILVER PLATINUM FINANCE LTD.</li> <li>- GEM ASSET MANAGEMENT PTE. LTD.</li> <li>- GEM YIELD PTE LTD</li> <li>- GEM DIRECT INVESTMENTS PTE LTD</li> </ul>

### Information required

**Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.**

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
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## CORPORATE GOVERNANCE REPORT

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a Director or an equivalent person or a key executive, at the time when he was a Director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a Director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

## CORPORATE GOVERNANCE REPORT

(h) Whether he has ever been disqualified from acting as a Director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-  i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or  xi. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or  xii. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No No No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

## CORPORATE GOVERNANCE REPORT

<b><u>Information required</u></b>	
<b>Disclosure applicable to the appointment of Director only</b>	
<p>Any prior experience as a Director of an issuer listed on the Exchange?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the Director has attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).</p>	Not applicable

### Board Performance

***Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.***

#### ***Performance Criteria and Assessment Criteria (Provisions 5.1 & 5.2)***

The NC has in place a framework for the evaluation of the Board, the Board Committees, and individual members of the Board to assess their effectiveness. The evaluation is carried out annually by means of a questionnaire relating to the size and composition of the Board, information flow to the Board, Board procedures and accountability, matters concerning the CEO/key management personnel and standards of conduct of Board members being completed by each individual Director. Completed questionnaires are collated by the Company Secretary and the findings presented to the NC for discussion. Based on the findings the NC and the Board are generally satisfied as to the effectiveness of the Board as a whole, each Board Committee, and the contribution by each Director. The NC highlighted certain areas for improvement and the Board has agreed to implement measures to address them.

### REMUNERATION MATTERS

#### ***Procedures for Developing Remuneration Policies***

***Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.***

#### ***RC Composition and Role (Provisions 6.1, 6.2 & 6.3)***

The RC consists of three (3) Independent Non-Executive Directors:

Mr Yee Kee Shian, Leon, Chairman	(Independent Non-Executive Director)
Mr Chew Sutat	(Lead Independent Non-Executive Director)
Mr Chua Kim Leng	(Independent Non-Executive Director)

## CORPORATE GOVERNANCE REPORT

The RC carries out its duties in accordance with a set of terms of reference which includes mainly, the following:

- (a) recommending for the Board's endorsement the proposed fees for Non-Executive Directors for approval by the shareholders of the Company. Each member of the RC shall abstain from any discussions and from voting on any resolutions in respect of his/her fees;
- (b) recommending to the Board a framework of remuneration for the Directors, Chairman and key management personnel of the Company, and determine specific remuneration packages for each Director and key management personnel, such recommendations to be submitted for endorsement by the entire Board, with all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, termination payments and benefits-in-kind, to be reviewed;
- (c) reviewing the ongoing appropriateness and relevance of the Company's remuneration policies;
- (d) reviewing annually the remuneration of employees who are related to the Directors and substantial shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines of the Group and commensurate with their respective job scopes and levels of responsibilities, as well as reviewing and approving any bonuses, pay increments and/or promotions for such related employees. Each member of the RC shall abstain from any discussions and from voting on any resolutions in respect of employees related to him/her;
- (e) reviewing the design of any share incentive scheme(s) which may be established by the Company from time to time and administering such schemes, if applicable.

The RC is responsible for ensuring a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key management personnel. All aspects of remuneration frameworks, including but not limited to fees, salaries, allowances, bonuses, and other benefits-in-kind of Directors and key management personnel are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Such frameworks are reviewed periodically to ensure that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies.

### ***Remuneration Consultants (Provisions 6.4)***

The RC may from time to time seek advice on the remuneration of all Directors from external remuneration consultants whose independence and objectivity are not affected by any existing relationships with the Company. Aon Solutions Singapore Pte. Ltd. was engaged by the Company in FY2022 to provide professional advice on Board and executive remuneration. Aon Solutions Singapore Pte. Ltd. is not related to the Company or any of its Directors and does not otherwise have any relationships with the Company that could affect its independence and objectivity.

## CORPORATE GOVERNANCE REPORT

### Level and Mix of Remuneration

**Principle 7:** *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

#### **Remuneration of Directors and Key Management Personnel (Provisions 7.1, 7.2 & 7.3)**

The remuneration of the Executive Directors and key management personnel has been formulated to attract, retain and motivate such individuals and to create long-term value for its shareholders. The remuneration package of each Executive Director and key management personnel comprises of a fixed component and a variable component, which is based on the Group's and the individual's performance. An appropriate proportion of the remuneration of such individuals is structured to link rewards to corporate and individual performance.

With regard to the remuneration of Non-Executive Directors, the RC ensures that the Non-Executive Directors are remunerated to a level that is commensurate with their level of contribution taking into account factors such as effort and time spent, and their responsibilities. Non-Executive Directors receive a basic fee for their services. Each member of the RC abstains from voting on any resolutions in respect of his own remuneration package.

### Disclosure on Remuneration

**Principle 8:** *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance, and value creation.*

#### **Disclosure of Remuneration (Provisions 8.1 & 8.3)**

Details of the remuneration of Directors and top five (5) key management personnel of the Group for FY2022 are set out below:

<b>Name of Directors</b>	<b>Breakdown of Remuneration in Percentage (%)</b>				<b>Total (S\$)</b>
	<b>Fees<sup>(1)</sup> (%)</b>	<b>Salary<sup>(2)</sup> (%)</b>	<b>Variable Bonus (%)</b>	<b>Total (%)</b>	
Ren Yuanlin	–	100	–	100	48,600
Chew Sutat <sup>(3)</sup>	100	–	–	100	115,500
Yee Kee Shian, Leon	100	–	–	100	85,500
Chua Kim Leng	100	–	–	100	85,500
Toe Teow Heng	–	100	–	100	414,280

#### **Notes:**

(1) The Directors' fees are subject to the approval of the shareholders at the 1st AGM.

(2) In accordance with his Service Agreement.

(3) Mr Chew Sutat was concurrently a member of the investment committees and will receive an addition fee of \$30,000 for his services rendered in the year.

## CORPORATE GOVERNANCE REPORT

<b>Name of Top 5 Key Management Personnel</b>	<b>Designation</b>	<b>Breakdown of Remuneration in Percentage (%)</b>		
		<b>Salary (%)</b>	<b>Variable Bonus (%)</b>	<b>Total (%)</b>
<b>S\$250,000 to below S\$500,000</b>				
Liu Hua	CFO & COO	100	–	100
Koh Boon Chiao, Barry	General Counsel	100	–	100
Chiang Kheng Hong	Chief Risk Officer	100	–	100
<b>Below S\$250,000</b>				
Peng Xingkui	Chief Investment Officer – PRC	90	10	100
Su Qing	Chief Compliance Officer – PRC	90	10	100

The remuneration of each of the above top five (5) key management personnel. The total remuneration (including CPF contribution thereon and bonus) paid to the top 5 key management personnel in FY2022 was approximately S\$800,244.

### ***Remuneration of Immediate Family Members of a Director, CEO or Substantial Shareholder (Provision 8.2)***

The Group does not have any employee who is an immediate family member of a Director, CEO or substantial shareholder whose remuneration exceeded S\$100,000 during the financial year.

### **ACCOUNTABILITY AND AUDIT**

#### **Risk Management and Internal Controls**

***Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

#### ***Risk Management (Provision 9.1)***

The Board is responsible for the overall risk management and internal control framework of the Group. The Board recognises the importance of balancing risks and rewards to achieve an optimal level of risk that the Group can tolerate in achieving its strategic objectives. To assist the Board, the Board has established the ARC whose responsibilities include reviewing the risk profile of the Group and to make recommendations to the Board on risk strategy, risk appetite and risk limits. Further details on the composition of the ARC can be found in Principle 10.

## CORPORATE GOVERNANCE REPORT

The Group has established an Enterprise Risk Management ("ERM") policy for identification of key risks within the business and has adopted the use of risk register and summary of comfort matrices to document the identified risks as well as taking appropriate measures to control and mitigate these risks. The ARC reviews and reports to the Board the Group's risk profile, evaluates results and counter-measures to mitigate or transfer identified potential risks so as to assure itself and the Board that the process is operating effectively as planned. The risk management policy of the Group consists of the framework of formal, systematic, and comprehensive guidelines and rules to identify and manage significant risks that might affect the Group's achievement of its business objectives. The ERM policy has been in place to assist the Board, the Management, and staff in identifying, reviewing, and monitoring potential risks. Comprehensive guidelines and rules are set to identify and manage significant risks that may affect the Group's achievement of its business objectives, outputs, projects, or operating processes. The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately the management and the Board, working as a team. The process identifies relevant potential risks across the Group's operations with the aim to bring them to within acceptable cost and tolerance parameters.

The Management regularly reviews and updates the Board on the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology risks and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the Board and the ARC for further discussion. The Board and the ARC also work with the internal auditors, external auditors, and Management on their recommendations to institute and execute relevant controls with a view to managing such risks.

### ***Assurances from CEO and CFO (Provision 9.2)***

The Board notes that no cost-effective system of internal controls can provide absolute assurance against the occurrence of material errors, losses, fraud, or other irregularities. In view of the above and based on the internal controls established and maintained by the Group, work performed by the internal auditors, external auditors, and reviews performed by the Management, various Board Committees and the Board so far, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control systems, addressing financial, operational, compliance and information technology risks, put in place during the financial year were adequate and effective. This is in turn supported by (a) assurances from the CEO and the CFO that the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances are in accordance with the relevant accounting standards; and (b) the assurance from the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of risk management and internal control systems.

### **Audit and Risk Committee**

***Principle 10: The Board has an Audit and Risk Committee ("ARC") which discharges its duties objectively.***

### ***Composition, Power, and Duties of the ARC (Provisions 10.1, 10.2 & 10.3)***

The Board recognises the importance of providing accurate and relevant information on a timely basis. To ensure that the corporate governance is effectively practiced, the Board has established self-regulatory and monitoring mechanisms, including the establishment of the ARC to ensure that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks. The ARC consists of three (3) Independent Non-Executive Directors:

Mr Chua Kim Leng, Chairman

(Independent Non-Executive Director)

Mr Chew Sutat, Member

(Lead Independent Non-Executive Director)

Mr Yee Kee Shian, Leon, Member

(Independent Non-Executive Director)

## CORPORATE GOVERNANCE REPORT

The Board has ensured that all the ARC members, having the necessary accounting and/or related financial management expertise, are appropriately qualified to discharge their responsibilities. None of the ARC members comprise former partners or Directors of the Company's existing auditing firm or auditing corporation.

The ARC meets on a quarterly basis and plays a key role in assisting the Board to review significant financial reporting issues and judgments to ensure the quality and integrity of the accounting reports, the audit procedures, internal controls, financial statements, and any announcements relating to the Group's financial performance. During FY2022, the ARC held three (3) scheduled meetings with full attendance.

The members of ARC carry out their duties in accordance with a set of terms of reference which includes, mainly the following:

- (a) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- (b) review the periodic consolidated financial statements and any formal announcements relating to the financial performance of the Group prior to the submission to the Board;
- (c) review the Company's key financial risk areas, with a view to providing an independent oversight of the financial reporting of the Group, the outcome of such review to be disclosed in the annual reports or of the findings are material, to be immediately announced via SGXNET;
- (d) receive and review at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks;
- (e) review the assurances from the CEO and CFO on the Group's financial records and financial statements;
- (f) make recommendations to the Board on establishing an adequate, effective and independent audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation) and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (g) review with the internal and external auditors, the audit plans, scope of work, their evaluation of the Company's system of internal controls, audit reports, their management letters and the response of the Management and the results of audits compiled by the internal and external auditors;
- (h) review and make recommendations to the Board on the appointment, re-appointment, and termination of the external auditor, including approving the remuneration and terms of engagement of the external auditors;
- (i) review and approve any Interested person transactions and significant transactions, if any;
- (j) review the hedging policies and instruments implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures;
- (k) review and make recommendations to the Board on the corporate governance policies and practices of the Group, including the code of conduct and compliance manual applicable to the Directors and employees of the Group; and
- (l) review the whistle-blowing policy and procedures.

## CORPORATE GOVERNANCE REPORT

The ARC discussed with the Management on the accounting treatment and methodology applied as well as the assumptions used in judgemental assessment which might impact the results of financial statements. The external auditors had reviewed the financial statements of the Group and highlighted some key audit matters ("KAMs") that might significantly impact the financial statements and these were reviewed by ARC.

The ARC has discussed significant financial reporting matters with management and the external auditors which have been included as KAMs in the independent auditor's report for FY2022, as set on pages 88 to 89 of this Annual Report.

In assessing each KAM, the ARC took into consideration the approach and methodology applied by management in the determination of revenue recognition, provision of foreseeable losses on debt investments and the valuation of investment assets. The reasonableness of the estimates and key assumptions used were also considered by the ARC. Where necessary, views of subject matter experts such as independent valuers were consulted where necessary.

The ARC also considered the report from the external auditors, including their findings and views on the key areas of audit focus. The ARC concluded that the Group's accounting treatment and estimates in each of the KAMs were appropriate.

The ARC also reviews the independence and objectivity of the external auditors and having reviewed the scope and value of non-audit services provided to the Group by the external auditors, PricewaterhouseCoopers LLP, the ARC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditors. The aggregate amount of audit and non-audit fees paid or payable to the PricewaterhouseCoopers LLP Singapore for FY2022 were S\$260,000 and S\$0 respectively. The ARC has recommended to the Board the nomination of PricewaterhouseCoopers LLP for re-appointment as external auditors of the Company at the forthcoming 1st AGM.

The Board and ARC have reviewed the appointment of different auditors for its significant foreign-incorporated subsidiaries and/or associated companies and satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

The Group has complied with Rules 712, 715 and 716 of the Listing Manual of SGX-ST in relation to the appointment of its external auditors.

### ***Internal audit (Provision 10.4)***

The Group outsources its internal audit function to Messrs Yang Lee & Associates ("YLA or "IA"). YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory and assurance services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with sufficient expertise in corporate governance, risk management, internal controls and other relevant disciplines.

The ARC has reviewed and satisfied that YLA is a suitable professional service firm to meet the Company's internal audit obligations, having regard to the adequacy of resources and experience of the firm and the assigned engagement Director, number and experience of supervisory and professional staff assigned to internal audit. IA reports directly to the Chairman of the ARC. The ARC approves the appointment, evaluation, termination and remuneration of the IA. The IA has full access to the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.

## CORPORATE GOVERNANCE REPORT

The IA is guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors in carrying out the internal audit review.

The ARC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that Management provides the necessary co-operation to enable the IA to perform its function.

The IA completed one review during the financial year ended 31 December 2022 in accordance with the risk-aligned internal audit plan approved by the ARC. The ARC approved the internal audit report and the Management has adopted key recommendations of the IA as set out in the internal audit report.

The ARC has reviewed and is satisfied that the internal audit function is independent, effective and adequately resourced.

### ***Meeting with External and Internal Auditors without Management (Provision 10.4)***

The ARC meets with the external auditors and internal auditors, in each case without the presence of the Management, at least once a year.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

***Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position, and prospects.***

### ***General Meetings (Provision 11.1)***

The Company believes that active participation from shareholders in general meetings will greatly enhance the shareholders' visibility of the Group's operations and performance and will further align shareholders' interest with the Group's future directions and strategies. To encourage active participation at general meetings, the Company is committed to providing shareholders with adequate, timely and sufficient information. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNET and published in local newspapers, as well as posted on the Company's website. Shareholders may also download the Annual Report from the Company's website and SGXNET.

### ***Conduct of General Meetings (Provisions 11.2, 11.3 & 11.4)***

The Company does not allow a shareholder to vote in absentia at general meetings except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead. Each shareholder who is entitled to attend and vote may either vote in person or appoint not more than two proxies. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies. Separate resolutions on each distinct issue are tabled at general meetings unless the issues are interdependent and linked to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. All Directors, senior management and the external auditors are intended to be in attendance at forthcoming 1st AGM to address any queries of the shareholders.

## CORPORATE GOVERNANCE REPORT

The Board acknowledges voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution where shareholders are accorded rights proportionate to the shareholding and all votes counted. To enhance shareholders' participation, the Group puts all resolutions at general meetings to vote by electronic poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage via SGXNET after the general meetings.

### ***Minutes of General Meetings (Provision 11.5)***

The Company Secretary prepares minutes of general meetings that include substantial and pertinent comments from shareholders relating to the agenda of the meetings and responses from the Management and the Board. Such minutes will be available to shareholders upon their written request. Copy of the minutes will also be released via SGXNET and the Company's website as soon as practicable.

### ***Dividend Policy (Provision 11.6)***

The Company has adopted a dividend policy of paying out at least 40% of the Group's net profit after tax, excluding non-recurring, one-off and exceptional items, as dividends. The Board is recommending SGD0.018 per ordinary share for FY2022 as the first and final one-tier tax-exempt dividend payable to the shareholders, subject to the approval of shareholders at the forthcoming 1st AGM.

In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account various factors including:

- (a) the results of operations and cash flow;
- (b) the expected financial performance and working capital needs;
- (c) future prospects; and
- (d) capital expenditures and other investment plans;

as well as general economic and business operations in the countries in which we operate and other factors deemed relevant by the Board and statutory restrictions on the payment of dividends.

### **Engagement with Shareholders**

***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

### ***Shareholder Communication (Provision 12.1)***

The Group acknowledges the importance of regular communication with shareholders and investors through which shareholders can have an overview of the Group's performance and operation. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected. Information is communicated to shareholders on a timely basis through the Company's annual report, circulars to shareholders (if any), interim financial results and the various announcements.

## CORPORATE GOVERNANCE REPORT

The Company is committed to ensuring that its shareholders have access to accurate information vis-à-vis the Company on a timely basis. This is achieved through posting announcements and news releases on the SGXNet on a timely and consistent basis. Following its listing via introduction on 28 April 2022, the Company provided shareholders with the half-year and full-year financial statements for FY2022 within the relevant period prescribed by the Listing Manual. This was reviewed and approved by the Board prior to release to shareholders by announcement on the SGXNet. Going forward, the company will provide shareholders with its half-year and full-year financial statements within the relevant periods prescribed by the Listing Manual. Such half-year and full-year financial statements would be reviewed and approved by the Board prior to release to shareholders by announcement on the SGXNet. In presenting the half-year and full-year financial statements to shareholders, the Board seeks to provide shareholders with a balanced, clear and understandable assessment of the Company and the Group's performance, position and prospects.

In line with the Company's commitment to provide its shareholders with accurate information on a timely basis, the Company provides, on a voluntary basis, with quarterly business updates in between the announcement of its half-year and full-year financial statements. Such business updates contain, among other things, information on the Group's business and operational developments.

The Board embraces openness and transparency in the conduct of the Group's affairs, whilst safeguarding its commercial interests. Material information on the Group has been released to the public through the Company's announcements via the SGXNET.

### ***Internal Investor Relations (Provisions 12.2 & 12.3)***

The Company does not have an internal investor relations team but has designated personnel, assisted by an external investor relations firm, to handle investor queries and deal with all matters related to investor relations.

## **MANAGING STAKEHOLDERS RELATIONSHIPS**

### **Engagement with Stakeholders**

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

### ***Engaging Material Stakeholder Groups (Provisions 13.1 & 13.2)***

The Group has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report which is included in this Annual Report.

### ***Corporate Website (Provision 13.3)***

The Company maintains a corporate website at [www.yzjfin.com](http://www.yzjfin.com) to communicate and engage with stakeholders.

## CORPORATE GOVERNANCE REPORT

### OTHER CORPORATE GOVERNANCE MATTERS

#### INTERESTED PERSON TRANSACTIONS

(*Rule 907 of the Listing Manual of SGX-ST*)

The following table sets out the current total of all transactions with the interested persons for FY2022:

Name of interested persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) SGD'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) SGD'000
Ren Yuanlin		
Acquisition of a subsidiary	S\$840,000	Nil
Toe Teow Heng		
Acquisition of a subsidiary	S\$840,000	Nil

All IPTs are subject to review by the ARC on a timely manner and the transactions are carried out on normal commercial terms and will not be prejudiced to the interests of the Group and its minority shareholders.

#### MATERIAL CONTRACTS

(*Rule 1207(8) of the Listing Manual of SGX-ST*)

Save for the service agreements between the Company and the CEO and Executive Chairman and except as disclosed in the Directors' Statements and the Financial Statements, there were no other material contracts of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

#### DEALING IN SECURITIES

(*Rule 1207(19) of the SGX-ST*)

The Group has a policy for the Directors and employees of the Group which applies the best practices recommended in the Listing Manual. Under the policy, Directors and employees are prohibited from dealing in the Group's securities while in possession of unpublished material price sensitive information. Directors and certain prescribed employees are prohibited from dealing in the Group's securities during the one-month period immediately preceding the announcement of the Company's half-year and full-year financial statements ("blackout period"). An email would be sent to Directors and such prescribed employees prior to the commencement of a blackout period to remind them of their obligation not to dealing in securities during the blackout period. Directors and employees are also discouraged from dealing in securities of the Group on short-term considerations.

The Company had dealt with the shares of the Company by conducting share buybacks on 15 July 2022 and 18 July 2022, both of which was during the period commencing one (1) month preceding the announcement of the Company's half-year financial statements. Save for the foregoing, the Company has complied with the best practices recommended in the Listing Manual in FY2022.

## CORPORATE GOVERNANCE REPORT

### **Whistle-Blowing Policy**

The Company has a whistle-blowing policy which encourages all persons, including employees, to raise concerns about any wrongdoings or improprieties, including the breach of any applicable law and policy, within the Group. The policy provides for independent investigation of any reported incidents and appropriate follow-up actions. The policy encourages reporting of such matters by ensuring, to the extent possible, that the identity of the whistle-blower will be kept confidential and that the Company will not tolerate the harassment or victimization of a whistle-blower who reports in good faith.

The ARC is responsible for the monitoring and oversight of whistle-blowing and whistle-blowing reports are made to the ARC Chairman, save where the report is about the ARC Chairman, in which case the reports are made to the Lead Independent Non-Executive Director. The ARC will be provided with resources to conduct investigations on any report, either by way of the Company designating the appropriate department or engaging, at the Group's expense, independent advisors to assist in the investigation.

The policy and the procedures for making a report are publicly disclosed on the Company's website and made available to all employees. The policy, including the procedures for raising concerns is covered and explained to employees during their onboarding process.

As at the date of this Report, there were no reports received through the whistle-blowing mechanism.

## DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the balance sheet of the Company as at 31 December 2022.

In the opinion of the directors,

- (a) the balance sheet of Yangzijiang Financial Holding Ltd. ("the Company") and the consolidated financial statements of Yangzijiang Financial Holding Ltd. and its subsidiaries ("the Group") as set out on pages 92 to 149 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they fall due.

### **Directors**

The directors in office at the date of this statement are as follows:

Ren Yuanlin	(appointed on 14 December 2021)
Toe Teow Heng	(appointed on 27 January 2022)
Chew Sutat	(appointed on 25 March 2022)
Chua Kim Leng	(appointed on 25 March 2022)
Yee Kee Shian, Leon	(appointed on 25 March 2022)

### **Arrangements to enable directors to acquire shares and debentures**

Neither at the end of, nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### **Directors' interests in shares or debentures**

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

<b>Name of director and corporate in which interests are held</b>	<b>Holdings registered in the name of director or nominee</b>		<b>Holdings in which a director is deemed to have an interest</b>	
	<b>At 1.1.2022 or date of appointment, if later</b>	<b>At 31.12.2022</b>	<b>At 1.1.2022 or date of appointment, if later</b>	<b>At 31.12.2022</b>
<b>The Company</b>				
(No. of ordinary shares)				
Ren Yuanlin	–	–	<b>852,845,825</b>	–
Chew Sutat	<b>888,000</b>	–	–	–
Chua Kim Leng	<b>200,000</b>	–	–	–
Toe Teow Heng	<b>600,000</b>	–	<b>7,386,200</b>	–
<b>Yangzijiang Shipbuilding (Holdings) Ltd.</b>				
(No. of ordinary shares)				
Ren Yuanlin	<b>852,845,825</b>	–	–	–
Chua Kim Leng	–	35,000	–	–
Chew Sutat	–	188,000	–	–
<b>GEM Asset Management Pte. Ltd.</b>				
(No. of ordinary shares)				
Ren Yuanlin	–	–	<b>750,000</b>	–
Toe Teow Heng	<b>750,000</b>	–	–	–

### **Share options**

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

## DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### Audit and Risk Committee

The members of the Audit and Risk Committee ("ARC") at the end of the financial year were as follows:

Chua Kim Leng (Chairman)  
Chew Sutat  
Yee Kee Shian, Leon

All members of the ARC are independent non-executive directors.

The ARC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the ARC reviewed the following:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

### Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

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Ren Yuanlin  
Director

24 March 2023

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Toe Teow Heng  
Director

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANGZIJIANG FINANCIAL HOLDING LTD.

### Report on the Audit of the Financial Statements

#### Our Opinion

In our opinion, the accompanying consolidated financial statements of Yangzijiang Financial Holding Ltd. (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2022, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

#### *What we have audited*

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2022;
- the balance sheet of the Group as at 31 December 2022;
- the balance sheet of the Company as at 31 December 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANGZIJIANG FINANCIAL HOLDING LTD.

### Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
1. Debt investments at amortised cost	<p>Refer to Notes 3, 15 and 30 to the financial statements.</p> <p>As at 31 December 2022, the carrying amount of the Group's debt investments at amortised cost was S\$2.67 billion, representing 64% of its total assets. This is net of allowance for impairment loss of S\$255.1 million at that date.</p> <p>We focused on this area because of the application of significant judgement and assumptions by management in determining the expected credit loss ("ECL") impairment model in accordance to SFRS(I) 9 Financial Instruments.</p> <p>These included:</p> <ul style="list-style-type: none"> <li>(i) the identification of changes in credit risk associated with the debt investments;</li> <li>(ii) the classification of the debt investments according to credit risk, taking into account the likelihood of default, and</li> <li>(iii) the ECL rates.</li> </ul> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>a. evaluated the key controls and tested the operating effectiveness of those relating to monitoring of debt investments to ensure timeliness of identifying changes in credit risk;</li> <li>b. reviewed the completeness and accuracy of key inputs to the Group's ECL impairment model used, including historical default rate and loss from default;</li> <li>c. assessed the appropriateness of the classification of debt investments against the Group's internal grading guidelines and assessed the proper classification of the debt investments into performing ("Stage 1"), under-performing ("Stage 2") and non-performing ("Stage 3");</li> <li>d. for each material non-performing debt investment, assessed the adequacy of the specific provision by examining management's estimate of future cash flows, including expected cash flows from the realisation of collaterals and timing of those cash flows; and</li> <li>e. involved our internal specialist in reviewing the appropriateness of the ECL impairment model.</li> </ul> <p>Based on our procedures, we found management's judgement and assumptions in the determination of the ECL to be appropriate.</p>

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANGZIJIANG FINANCIAL HOLDING LTD.

Key Audit Matter	How our audit addressed the Key Audit Matter
2. Valuation of investments in the venture capital business	<p>Our audit procedures in relation to the valuation of investments in the venture capital business are as follows:</p> <p>a. evaluated the existence and ownership of venture capital investments by obtaining confirmations directly from the venture capital management for all investments, and agreeing Group's holdings in the investments and obtaining the latest available quarterly capital account statements;</p> <p>b. obtained and reviewed the venture capital management's latest available quarterly capital account statements, where fair value information is provided and/or audited financial statements to determine the fair value of such investments;</p> <p>c. assessed the valuation details in the quarterly capital statements provided by the venture capital management; and</p> <p>d. obtained and reviewed all capital drawdown and distribution during the financial year.</p> <p>Based on our procedures, we found management's accounting estimates, judgements and assumptions applied in determining the fair value of investments in the venture capital business and valuation method applied to be appropriate.</p>

### Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANGZIJIANG FINANCIAL HOLDING LTD.

## **Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANGZIJIANG FINANCIAL HOLDING LTD.

### **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore in which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kheng Wah.

### **PricewaterhouseCoopers LLP**

Public Accountants and Chartered Accountants  
Singapore, 24 March 2023

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	<b>The Group</b>	
		<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
<b>Interest income</b>	4	<b>332,754</b>	368,667
Fee income		84	–
Dividend income		7,698	78,361
Fair value changes on financial assets at fair value through profit or loss	14	(34,886)	(62,801)
Other income		571	617
<b>Non-interest (losses)/income</b>		<b>(26,533)</b>	16,177
<b>Total income</b>		<b>306,221</b>	384,844
Employee compensation	5	(3,612)	(1,455)
Other expenses	6	(25,626)	(20,665)
<b>Total expenses</b>		<b>(29,238)</b>	(22,120)
<b>Profit before allowances</b>		<b>276,983</b>	362,724
(Allowances for)/reversal of allowances for credit losses	7	(123,853)	9,168
<b>Profit after allowances</b>		<b>153,130</b>	371,892
Share of results of associated companies, net of tax	8	6,664	55,285
Other gains	9	36,602	–
<b>Profit before income tax and total comprehensive income</b>		<b>196,396</b>	427,177
Income tax expense	10	(34,394)	(99,939)
<b>Net profit attributable to equity holders of the Company/owners of the Investment Business</b>		<b>162,002</b>	327,238
<b>Earnings per share attributable to equity holders of the Company/owners of the Investment Business</b>			
– Basic and diluted (expressed in S\$ cents per share)	11	<b>4.22</b>	8.28
<b>Net profit for the year</b>		<b>162,002</b>	327,238
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
– Currency translation gain		1,107	169,193
– Currency translation difference for presentation currency		(298,692)	–
<b>Other comprehensive income, net of tax</b>		<b>(297,585)</b>	169,193
<b>Total comprehensive income attributable to equity holders of the Company/owners of the Investment Business</b>		<b>(135,583)</b>	496,431

The accompanying notes form an integral part of these financial statements.

**BALANCE SHEETS**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Note	<b>The Group</b>		<b>The Company</b>	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	12	<b>620,686</b>	18,374	<b>73,026</b>
Financial assets, at fair value through profit or loss	14	<b>56,210</b>	77,881	—
Debt investment at amortised cost	15	<b>2,264,600</b>	3,359,868	—
Trade and other receivables	18	<b>26,708</b>	25,037	<b>4,084,201</b>
		<b>2,968,204</b>	3,481,160	<b>4,157,227</b>
<b>Non-current assets</b>				
Financial assets, at fair value through profit or loss	14	<b>413,862</b>	427,545	—
Debt investments at amortised cost	15	<b>407,307</b>	154,727	—
Trade and other receivables	18	<b>2,788</b>	10,182	—
Investments in subsidiaries	16	—	—	<b>4,958</b>
Investments in associated companies	8	<b>322,643</b>	227,050	—
Investment properties	19	<b>21,540</b>	24,535	—
Property, plant and equipment	20	<b>2,814</b>	2,078	<b>1,116</b>
Goodwill	13	<b>1,061</b>	—	—
Deferred income tax assets	21	<b>65,728</b>	72,629	—
		<b>1,237,743</b>	918,746	<b>6,074</b>
<b>Total assets</b>		<b>4,205,947</b>	4,399,906	<b>4,163,301</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	22	<b>52,917</b>	2,760	<b>137,057</b>
Derivatives financial instruments	17	<b>6,876</b>	—	<b>4,035</b>
Borrowings	24	<b>13,830</b>	—	<b>384</b>
Current income tax liabilities	10	<b>28,867</b>	65,529	<b>507</b>
		<b>102,490</b>	68,289	<b>141,983</b>
<b>Non-current liabilities</b>				
Borrowings	24	<b>732</b>	—	<b>732</b>
Deferred income tax liabilities	21	<b>228,906</b>	82,817	<b>222,747</b>
		<b>229,638</b>	82,817	<b>223,479</b>
<b>Total liabilities</b>		<b>332,128</b>	151,106	<b>365,462</b>
<b>NET ASSETS</b>		<b>3,873,819</b>	4,248,800	<b>3,797,839</b>
<b>EQUITY</b>				
Share capital	25	<b>3,858,695</b>	2,084,771	<b>3,858,695</b>
Treasury shares	25	(94,120)	—	(94,120)
Owner's net investment	28	—	984,363	—
Other reserves	26	<b>26,963</b>	15,042	—
Retained earnings		<b>84,999</b>	892,255	<b>34,252</b>
Foreign currency translation reserve	26	(2,718)	272,369	(988)
<b>Total equity</b>		<b>3,873,819</b>	4,248,800	<b>3,797,839</b>

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

←———— Attributable to equity holders of the Company —————→  
**The Group**

	Note	Owner's			Foreign currency			Total S\$'000
		Share capital S\$'000	net investment S\$'000	Treasury shares S\$'000	Other reserves S\$'000	translation reserve S\$'000	Retained earnings S\$'000	
<b>2022</b>								
<b>Beginning of financial year</b>		<b>2,084,771</b>	<b>984,363</b>	–	15,042	272,369	892,255	<b>4,248,800</b>
Profit for the year		–	–	–	–	–	162,002	<b>162,002</b>
Other comprehensive income		–	–	–	–	(297,585)	–	(297,585)
Total comprehensive income for the year		–	–	–	–	(297,585)	162,002	(135,583)
Transfer	26 (a)	–	–	–	15,096	–	(15,096)	–
Translation difference arising from translation of equity items to presentation currency	26	(293,267)	–	–	(902)	294,867	(698)	–
Spin-off process	29	<b>2,067,191</b>	(984,363)	–	(2,273)	(272,369)	(953,464)	(145,278)
Share buyback	25	–	–	(94,120)	–	–	–	(94,120)
<b>End of financial year</b>		<b>3,858,695</b>	–	(94,120)	26,963	(2,718)	84,999	<b>3,873,819</b>
<b>2021</b>								
<b>Beginning of financial year</b>		2,167,752	1,657,377	–	13,373	103,176	730,214	4,671,892
Profit for the year		–	–	–	–	–	327,238	327,238
Other comprehensive income		–	–	–	–	169,193	–	169,193
Total comprehensive income for the year		–	–	–	–	169,193	327,238	496,431
Transfer	26 (a)	–	–	–	1,669	–	(1,669)	–
Distribution to owner		–	–	–	–	–	(163,528)	(163,528)
Movement in combined capital	25	(82,981)	–	–	–	–	–	(82,981)
Movement in funding		–	(673,014)	–	–	–	–	(673,014)
<b>End of financial year</b>		<b>2,084,771</b>	<b>984,363</b>	–	15,042	272,369	892,255	<b>4,248,800</b>

All reserves are distributable other than the share premium reserve and the foreign currency translation reserve.

*The accompanying notes form an integral part of these financial statements.*

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	The Group 2022 S\$'000	2021 S\$'000
<b>Cash flows from operating activities</b>			
Profit after income tax		<b>162,002</b>	327,238
Adjustments for:			
– Income tax expenses	10	<b>34,394</b>	99,939
– Depreciation of property, plant and equipment	20	<b>215</b>	113
– Depreciation of investment properties	19	<b>1,257</b>	831
– Fair value loss on financial assets, at fair value through profit or loss	14	<b>34,886</b>	62,801
– Dividend income		<b>(7,698)</b>	(78,361)
– Share of results of associated companies, net of tax	8	<b>(6,664)</b>	(55,285)
– Fair value loss on derivative financial instruments	17	<b>6,876</b>	–
– Net effect of exchange rate changes in consolidating foreign operations		<b>72,568</b>	–
		<b>297,836</b>	357,276
Changes in working capital:			
– Trade and other receivables	18	<b>5,798</b>	483,782
– Trade and other payables	21	<b>50,022</b>	(43,798)
– Debt investments at amortised cost	15	<b>45,227</b>	78,386
Cash generated from operations		<b>398,883</b>	875,646
Income tax paid	10	<b>(87,434)</b>	(74,589)
<b>Net cash provided by operating activities</b>		<b>311,449</b>	801,057
<b>Cash flows from investing activities</b>			
Proceeds from sale of financial assets, at fair value through profit and loss	14	<b>112,483</b>	87,235
Proceeds from disposal of associated companies	8	<b>1,412</b>	14,378
Dividend received		<b>7,698</b>	78,361
Purchase of property, plant and equipment	20	<b>(10)</b>	–
Additions to investment properties	19	<b>(260)</b>	–
Acquisition of financial assets, at fair value through profit and loss	14	<b>(226,633)</b>	(97,008)
Acquisition of subsidiary, net of cash	33	<b>(999)</b>	–
Additions to investments in associated companies	8	<b>(143,718)</b>	–
Return of capital by associated companies	8	<b>26,347</b>	58,482
<b>Net cash (used in)/provided by investing activities</b>		<b>(223,680)</b>	141,448
<b>Cash flows from financing activities</b>			
Capital reduction	25	<b>–</b>	(82,981)
Proceeds from loans and borrowings	24	<b>61,751</b>	–
Repayment of loans and borrowings	24	<b>(47,189)</b>	–
Share buyback	25	<b>(94,120)</b>	–
Movement in funding from/(to) YZJ Group		<b>631,829</b>	(865,592)
<b>Net cash provided by/(used in) financing activities</b>		<b>552,271</b>	(948,573)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>640,040</b>	(6,068)
<b>Cash and cash equivalents</b>			
Beginning of financial year		<b>18,374</b>	25,863
Effects of currency translation on cash and cash equivalents		<b>(37,728)</b>	(1,421)
<b>End of financial year</b>		<b>620,686</b>	18,374

*The accompanying notes form an integral part of these financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements and the standalone financial statements.

## 1. GENERAL INFORMATION

On 29 November 2021, Yangzijiang Shipbuilding (Holdings) Ltd. ("YZJ") announced its plan to sharpen its strategic focus by spinning off the investment business ("Investment Business") of YZJ and its subsidiaries (collectively the "YZJ Group") via the transfer of existing investments to a newly incorporated company. To achieve this transformation, YZJ embarked on a reorganisation exercise to separate its existing investment business into a separate legal structure. For this purpose, Yangzijiang Financial Holding Ltd. (the "Company") was incorporated in Singapore on 14 December 2021 as a private company limited by shares under the name of "Yangzijiang Financial Holding Pte. Ltd.". On 25 March 2022, the Company was converted into a public company limited by shares and the name was changed to "Yangzijiang Financial Holding Ltd.". The address of the Company's registered office is 80 Robinson Road #02-00 Singapore 068898.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (the "YZJ Financial Group", or the "Group") are principally engaged in investment-related activities. The Group's investments include debt investments, venture capital and other investments, micro-financing, and fund management and investment advisory services.

YZJ Financial Group, comprising the former Investment Business of the YZJ Group, historically did not exist as a separate legal entity and reporting group, and no separate (statutory) financial statements were therefore prepared. Accordingly, for the purpose of the evaluation of the historical financial results and the preparation of capital markets access, comparative financial statements of YZJ Financial Group for the financial year ended 31 December 2021 have been prepared on a "carve-out basis". For financial year ended 31 December 2022, financial performance of YZJ Financial Group also includes the profit and loss from the Investment Business of the YZJ Group before the spin-off in April 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.1 Basis of preparation (Cont'd)

##### **Interpretations and amendments to published standards effective in 2022**

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

#### 2.2 Carve-out basis

##### *Combined Balance Sheets*

The YZJ Financial Group Combined Balance Sheets include the assets and liabilities previously reported as part of the Investment Business as well as the Investment Business-related assets and liabilities, which have been determined in the following manner:

- Debt investments at amortised cost and financial assets, at fair value through profit or loss have been fully assigned to the Investment Business.
- Investments in associated companies have been allocated to the Investment Business or Excluded Business based on the principal activities of the associated companies.
- Property, plant and equipment ("PPE") and investment properties ("IP") have been allocated to the Investment Business based on specific identification.
- Trade and other receivables and other payables have been allocated to the Investment Business based on specific identification.
- Income tax related balances have been allocated as if the components comprising the Investment Business were separate taxable entities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Carve-out basis (Cont'd)

##### *Combined Statements of Comprehensive Income*

The YZJ Financial Group Combined Statements of Comprehensive Income include the financial performances previously reported as part of the Investment Business as well as the Investment Business-related costs, which have been determined in the following manner:

- Employee benefit expenses have been allocated to the Investment Business based on specific identification.
- Overheads include finance functions, treasury, strategy, audit fees and general management including the YZJ Group's key management. The costs of YZJ Group's overheads have been allocated based on estimated activity levels and the relation of these functions to the Investment Business and Excluded Business.
- Depreciation was allocated to the Investment Business based on the PPE and IP allocated to the Investment Business.
- No interest expense had been recorded in the Combined Statements of Comprehensive Income as there is no interest on funding provided as part of the owner's net investment.
- Income tax expenses have been allocated as if the components comprising the Investment Business were separate taxable entities.

##### *Combined statements of Cash Flows*

The combined statements of cash flows have been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Amounts for cash, cash equivalents and debt are reflected in the combined financial statements only for those activities of the Investment Business that operated or existed in separate dedicated Investment Business legal entities, during the comparative period. For all other activities, changes in cash and debt balances form part of additional funding from (payment to) YZJ Group.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Carve-out basis (Cont'd)

##### *Owner's net investment and funding structure*

The YZJ Group utilised a central approach for cash management and the funding of its operations. As a contractual obligation to deliver cash or other financial assets in relation to the funding from other YZJ Group entities did not exist during the historical periods presented and the balances will not be settled with YZJ Financial Group's own equity instruments, all balances with YZJ Group are presented as owner's net investment in the combined financial statements, except for intercompany current accounts with YZJ Group that are settled periodically based on instructions from YZJ Group treasury department.

Cash deposits of the YZJ Group were monitored and managed by the treasury department. Amounts for cash, cash equivalents and debt are reflected in the combined financial statements only for those activities of YZJ Financial Group that operated or existed in separate dedicated Investment Business legal entities, during the comparative period. For all other activities, cash and debt balances with YZJ Group have been presented as part of owner's net investment. The funding structure is therefore not necessarily representative of the financing that would have been reported if YZJ Financial Group operated on its own or as an entity independent from YZJ Group during the periods presented, nor is it indicative of the financing that may arise in the future.

#### 2.3 Group accounting

##### (i) Subsidiaries

###### 1. Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.3 Group accounting (Cont'd)

##### (i) Subsidiaries (Cont'd)

###### 2. Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.

Before recognising a gain on a bargain purchase, management shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review. The objective is to ensure that measurements appropriately reflect consideration of all available information as at the acquisition date.

###### 3. Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a SFRS(I).

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.3 Group accounting (Cont'd)

##### (ii) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

###### 1. Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated companies over the Group's share of the fair value of the identifiable net assets of the associated companies or joint ventures and is included in the carrying amount of the investments.

###### 2. Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

###### 3. Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.4 Income recognition

##### (i) Interest income

Interest income is recognised using the effective interest rate method.

##### (ii) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

##### (iii) Management fee

Management fee income is recognised when the services are rendered.

#### 2.5 Financial assets

##### (i) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

##### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.5 Financial assets (Cont'd)

##### (i) Classification and measurement (Cont'd)

###### At subsequent measurement

###### 1. Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and debt investments at amortised cost.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

###### 2. Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Fair value changes on financial assets at fair value through profit or loss".

##### (ii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30(b) details how the Group determines whether there has been a significant increase in credit risk.

For cash and cash equivalents, debt investments at amortised cost and trade and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Debt investments carried at amortised cost are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where debt investments carried at amortised cost are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.5 Financial assets (Cont'd)

##### (iii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial assets, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

A derivative financial instrument is initially recognised at fair value on the date of the contract is entered into and is subsequently carried at its fair value.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The fair value of a trading derivatives is presented as a non-current asset or liability if the remaining life of the trading derivatives is more than 12 months, and as a current asset or liability if the remaining expected life of the trading derivatives is less than 12 months.

#### 2.7 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

##### *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore and the social security plans in People's Republic of China (the "PRC") on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

In accordance with the relevant regulations in the PRC, the premiums and welfare benefit contributions borne by the Group are calculated based on certain percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labour and social welfare authorities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.8 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### 2.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.10 Property, plant and equipment

##### (i) Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

##### (iii) Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives, as follows:

<b><u>Useful lives</u></b>	
Leasehold building	3 years
Furniture, fittings and equipment	5-12 years

The residual values estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

##### (iv) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

##### (v) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.11 Intangible assets

Intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

##### (i) Goodwill

Goodwill arises on the acquisition of business, represents the excess of the sum of the consideration transferred, the amount of non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

If the total of the consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the business acquired, in the case of bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Goodwill is allocated to CGU for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. Goodwill is tested for impairment at the operating segment level, as monitored for internal management purpose, and does not take place at a lower level.

##### (ii) Goodwill

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains or losses on the disposal of an entity or business include the carrying amount of goodwill relating to entity or business sold.

#### 2.12 Investment properties

Investment properties comprise of leasehold buildings that are held for rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life, which is the lease term of the leasehold building.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.12 Investment properties (Cont'd)

The residual value, useful life and depreciation method of investment properties are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

#### 2.13 Impairment of non-financial assets

*Property, plant and equipment*

*Investment properties*

Property, plant and equipment and investment properties are tested for impairment whenever there is any indication or objective evidence that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.14 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.15 Other payables

Other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method

#### 2.16 Leases

- (i) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are presented within "Property, plant and equipment".

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.16 Leases (Cont'd)

##### (i) When the Group is the lessee (Cont'd)

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments includes the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables.

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for the leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

#### 2.17 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

#### 2.19 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the combined capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

#### 2.20 Currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company and the Group is Renminbi ("RMB") as majority of the Group's business operations is in China. The financial statements are presented in Singapore Dollar ("SGD" or "S\$") ("presentation currency") to serve the needs to the readers of the Group financial statements where the Group is listed.

##### (ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair value are determined.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.20 Currency translation (Cont'd)

- (iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets, liabilities and share capital are translated at the closing exchange rates at the reporting date;
2. income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
3. all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

#### 2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management team who are responsible for allocating resources and assessing performance of the operating segments.

#### 2.22 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

### 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Impairment of debt investments at amortised cost*

When measuring expected credit loss ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default ("LGD") is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account expected cash flows from collateral and integral credit enhancements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### **3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Cont'd)**

#### *Impairment of debt investments at amortised cost (Cont'd)*

Probability of default ("PD") constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Management has determined the expected loss rates by grouping the borrowers according to internal risk management grading. Loss allowances of S\$121,504,000 (2021: reversal of loss allowance of S\$10,132,000) for debt investments at amortised cost was recognised during financial year. The Group's credit risk exposure for debt investments at amortised cost (including the ECL rates applied) is set out in Note 30(b)(iv).

As stated in Note 30(b)(iv), the forward looking macroeconomic data for LGD and PD incorporates adjustments for weighted average economic scenario outcomes, being 10% upside, 10% downside and 80% base (2021: 23% upside, 17% downside and 60% base) case scenarios. The impact on profit before tax arising from a change in the weighted average economic scenario outcomes as at 31 December is as follows:

	<b>2022</b> <b>S\$'000</b>	<b>2021</b> <b>S\$'000</b>
15% upside, 15% downside and 70% base	<b>(16,612)</b>	6,712
20% upside, 20% downside and 60% base	<b>(37,538)</b>	(19,450)

#### *Fair value estimation*

The Group invests in venture capital business which are managed by third-party fund managers. These fund managers provide quarterly statements and annual audited financial statements to the Group to report their assessment of the fair value of the underlying investments.

The Group relies on the fund managers' latest available quarterly capital account statements and/or audited financial statements to estimate the fair value of its investments in the venture capital and other funds, and may make appropriate adjustments accordingly as described in Note 30(e).

The Group believes that any change in the key assumptions used by the fund managers to determine the fair value estimation in these abovementioned statements may cause the fair values to be different and the difference could be material to the financial statements.

### **4. INTEREST INCOME**

	<b>2022</b> <b>S\$'000</b>	<b>2021</b> <b>S\$'000</b>
Interest income from:		
– debt investments at amortised cost	<b>309,622</b>	352,641
– micro-financing	<b>2,569</b>	14,918
	<b>312,191</b>	367,559
– cash and cash equivalents	<b>20,563</b>	1,108
	<b>332,754</b>	368,667

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**5. EMPLOYEE COMPENSATION**

	2022 S\$'000	2021 S\$'000
Salaries, wages and employer's contributions to defined contribution plans	<b>3,612</b>	1,455

**6. OTHER EXPENSES**

	2022 S\$'000	2021 S\$'000
Business tax on interest income from debt instruments at amortised cost and loans to non-related parties – micro-financing	<b>16,870</b>	18,975
Travel expenses	<b>170</b>	77
Depreciation of investment properties (Note 19)	<b>1,257</b>	831
Depreciation of property, plant and equipment (Note 20)	<b>215</b>	113
Finance costs	<b>192</b>	–
Legal fees	<b>715</b>	2,029
Business hospitality expenses	<b>120</b>	43
Professional fees	<b>2,580</b>	1,394
Directors' fees	<b>144</b>	–
Others	<b>3,363</b>	(2,797)
	<b>25,626</b>	20,665

**7. ALLOWANCES FOR/(REVERSAL OF ALLOWANCES FOR) CREDIT LOSSES**

	2022 S\$'000	2021 S\$'000
<b>Allowances for/(reversal of allowances for) credit losses</b>		
– Debt investments at amortised cost (Note 15)	<b>121,504</b>	(10,132)
– Loans to non-related parties – micro-financing (Note 18)	<b>2,349</b>	964
	<b>123,853</b>	(9,168)

**8. INVESTMENTS IN ASSOCIATED COMPANIES**

	2022 S\$'000	2021 S\$'000
As at 1 January	<b>227,050</b>	234,322
Additions	<b>143,718</b>	–
Return of capital (Note (a))	<b>(26,347)</b>	(58,482)
Disposals (Note (b))	<b>(1,412)</b>	(14,378)
Share of profits	<b>6,664</b>	55,285
Currency translation difference	<b>(27,030)</b>	10,303
As at 31 December	<b>322,643</b>	227,050

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 8. INVESTMENTS IN ASSOCIATED COMPANIES (Cont'd)

- (a) In 2022, 6 (2021: 11) associated companies of the Group distributed their capital to all the shareholders based on their respective shareholding. This did not result in a change of significant influence over these associated companies.
- (b) In 2022, the Group disposed of 3 (2021: 2) associated companies for a consideration of S\$1,412,000 (2021: S\$14,378,000).

The associated companies of the Group engages in venture capital investments and provision of seed funding activities. The associated companies of the Group include the following:

Name of associated companies <sup>(1)</sup>	Principal activities	Place of business/ country of incorporation	Effective equity holding	
			2022 %	2021 %
Everbright Venture Capital Jiangyin Co., Ltd.	Engaging in venture capital investment and providing seed capital	PRC	<b>21.36</b>	21.36
Jiangsu New Material Industrial Venture Capital Enterprise ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>38.00</b>	38.00
Shanghai Chengding Yangzi Investment Partnership Enterprise ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	-	29.15
Shanghai Chengding New Yangzi Investment Partnership Enterprise ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>29.85</b>	29.85
Jiangsu Sushang Joint Industry Investment Partnership ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>20.32</b>	20.32
Jiangsu Nantong Yanhai Emerging Industrial Investment Fund ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>30.00</b>	30.00
Jiangsu Jiequan Emerging Industry Development Fund ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>20.00</b>	20.00
Shanghai Chengding New Yangzi Investment Management Partnership Enterprise (Limited Partnership)	Engaging in venture capital investment and providing seed capital	PRC	<b>12.50</b>	12.50

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 8. INVESTMENTS IN ASSOCIATED COMPANIES (Cont'd)

The associated companies of the Group engages in venture capital investments and provision of seed funding activities. The associated companies of the Group include the following: (Cont'd)

Name of associated companies <sup>(1)</sup>	Principal activities	Place of business/ country of incorporation	Effective equity holding	
			2022 %	2021 %
Shanghai Chengding Yangzi Equity Investment Fund Management Partnership Enterprise ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	-	24.38
Shenzhen Doug No. 8 Sports Investment Partnership ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>34.60</b>	34.60
Wuhu Youli Enterprise Management Center Partnership ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>71.25</b>	-
Wuxi Jinyu Yangchuan Venture Capital Partnership ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>90.00</b>	-
Ningbo Meishang Bonded Port Qijun Equity Investment Partnership ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	<b>18.00</b>	-
Nanjing Saining Venture Capital Enterprise ("Limited Partnership")	Engaging in venture capital investment and providing seed capital	PRC	-	64.52

(1) These associated companies are audited by other accounting firms for local statutory purpose.

There are no contingent liabilities relating to the Group's interest in the associated companies. The directors are of the opinion that none of the associated companies contributes significantly to the results or financial position of the Group.

### 9. OTHER GAINS

	2022 S\$'000	2021 S\$'000
Foreign exchange gains – net	<b>42,375</b>	-
Net changes in fair value on derivatives financial instruments	<b>(5,780)</b>	-
Government grant income	<b>7</b>	-
	<b>36,602</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 10. INCOME TAXES

(a) Income tax expense

	2022 S\$'000	2021 S\$'000
Income tax expense attributable to profit is made up of:		
– Current income tax	92,581	64,420
– Deferred income tax (Note 21)	<b>(58,187)</b>	35,519
	<b>34,394</b>	99,939

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the PRC standard rate of income tax as follows:

	2022 S\$'000	2021 S\$'000
Profit before income tax	196,396	427,177
Share of results of associated companies, net of tax	<b>(6,664)</b>	(55,285)
Profit before income tax and share of results of associated companies	<b>189,732</b>	371,892
Tax calculated at the applicable tax rate of 25% (2021: 25%)	<b>47,433</b>	92,973
Effects of:		
– Tax exemption and different tax rates	(24,137)	(11,767)
– Deferred tax on undistributed profits	4,586	17,546
– Expenses not deductible for tax purposes	<b>6,512</b>	1,187
Tax charge	<b>34,394</b>	99,939

(b) Movement in current income tax liabilities

	2022 S\$'000	2021 S\$'000
Beginning of financial year	65,529	72,586
Spin-off process (Note 29)	<b>(35,307)</b>	–
Tax expense	<b>92,581</b>	64,420
Income tax paid	<b>(87,434)</b>	(74,589)
Currency translation difference	<b>(6,502)</b>	3,112
End of financial year	<b>28,867</b>	65,529

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 11. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the financial year.

	2022 S\$'000	2021 S\$'000
Net profit attributable to equity holders of the Company/owners of the Investment Business (S\$'000)	<b>162,002</b>	327,238
Weighted average number of ordinary shares ('000)	<b>3,836,519</b>	3,950,589
Basic earnings per share (S\$ cents)	<b>4.22</b>	8.28

Diluted earnings per share is equivalent to the basic earnings, as the Company does not have any dilutive potential ordinary shares.

### 12. CASH AND CASH EQUIVALENTS

	Company		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Cash at bank and on hand	<b>564,790</b>	18,374	<b>59,589</b>	–
Short-term bank deposits	<b>55,896</b>	–	<b>13,437</b>	–
	<b>620,686</b>	18,374	<b>73,026</b>	–

As at 31 December 2022 and 2021, the carrying amounts of cash and cash equivalents approximate their fair value.

The interest rate for short-term bank deposits held with financial institutions as at balance sheet date ranges from 0.10% to 5.00% per annum and have maturities of 3 to 86 days from the balance sheet date. There were no short-term bank deposits as at 31 December 2021.

### 13. GOODWILL

	2022 S\$'000	2021 S\$'000
Cost	–	–
Beginning of financial year	–	–
Acquisition (Note 33)	<b>1,061</b>	–
End of financial year	<b>1,061</b>	–

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 14. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 S\$'000	2021 S\$'000
Beginning of financial year	<b>505,426</b>	535,150
Investments transferred to YZJ Group before spin-off	<b>(71,361)</b>	–
Additions	<b>226,633</b>	97,008
Fair value loss	<b>(34,886)</b>	(62,801)
Disposals	<b>(112,483)</b>	(87,235)
Currency translation difference	<b>(43,257)</b>	23,304
End of financial year	<b>470,072</b>	505,426

Financial assets, at fair value through profit or loss are analysed as follows:

	2022 S\$'000	2021 S\$'000
<u>Current</u>		
Listed		
– Equity securities	<b>27,597</b>	75,761
Unlisted		
– Venture capital funds	<b>28,613</b>	2,120
	<b>56,210</b>	77,881
<u>Non-Current</u>		
Unlisted		
– Venture capital funds	<b>413,862</b>	427,545
	<b>470,072</b>	505,426

The instruments are all mandatorily measured at fair value through profit or loss.

### 15. DEBT INVESTMENTS AT AMORTISED COST

The Group invests in fixed interest debt instruments through intermediary financial institutions for specific borrowings arranged by these intermediaries.

Movements during the year are as follows:

	2022 S\$'000	2021 S\$'000
Beginning of financial year	<b>3,514,595</b>	3,438,717
Investments transferred to YZJ Group before spin-off	<b>(536,377)</b>	–
Additions	<b>1,714,500</b>	4,570,026
Redemptions	<b>(1,638,594)</b>	(4,658,545)
(Impairment losses)/reversal of impairment losses recognised in profit or loss	<b>(121,504)</b>	10,132
Currency translation difference	<b>(260,713)</b>	154,265
End of financial year	<b>2,671,907</b>	3,514,595

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**15. DEBT INVESTMENTS AT AMORTISED COST (Cont'd)**

Presented as:

	2022 S\$'000	2021 S\$'000
<b>Current</b>		
Debt investments	<b>2,461,001</b>	3,736,103
Less: Allowance for impairment loss	<b>(211,006)</b>	(369,873)
Currency translation difference	<b>14,605</b>	(6,362)
	<b>2,264,600</b>	3,359,868
<b>Non-current</b>		
Debt investments	<b>447,697</b>	184,055
Less: Allowance for impairment loss	<b>(44,137)</b>	(28,832)
Currency translation difference	<b>3,747</b>	(496)
	<b>407,307</b>	154,727
<b>Total</b>		
Debt investments	<b>2,908,698</b>	3,920,158
Less: Allowance for impairment loss (Note 30(b)(iv))	<b>(255,143)</b>	(398,705)
Currency translation difference	<b>18,352</b>	(6,858)
	<b>2,671,907</b>	3,514,595

The table below analyses the maturity profile of the Group's gross investments in debt investments at amortised cost into relevant maturity groupings based on the remaining maturity period from the balance sheet date.

	2022 S\$'000	2021 S\$'000
Within one year	<b>2,461,001</b>	3,736,103
Between one year to two years	<b>324,481</b>	166,653
Over two years	<b>123,216</b>	17,402
	<b>2,908,698</b>	3,920,158

At the balance sheet date, the carrying amounts of debt investments at amortised cost (current and non-current) approximated their fair values.

**16. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2022 S\$'000	2021 S\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	-	-
Additions	-	-
– incorporations	<b>1,658</b>	–
– acquisition (Note 33)	<b>3,300</b>	–
End of financial year and net book value	<b>4,958</b>	–

Details of significant subsidiaries are provided in Note 39.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 17. DERIVATIVES FINANCIAL INSTRUMENTS

	Group			Company		
	Contract notional Amount	Fair value Asset S\$'000	Fair value Liability S\$'000	Contract notional Amount	Fair value Asset S\$'000	Fair value Liability S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>31 December 2022</b>						
Currency forwards	418,498	96	(5,959)	335,176	96	(3,118)
Options	11,576	—	(1,013)	11,576	—	(1,013)
<b>Total</b>		<b>96</b>	<b>(6,972)</b>		<b>96</b>	<b>(4,131)</b>

There are no derivatives held as at 31 December 2021.

### 18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<i>Current</i>				
Trade receivables				
– Loans to non-related parties – micro-financing (Note (a))	<b>23,894</b>	27,047	<b>11</b>	—
– Loans to related parties (Note (b))	—	—	<b>437,495</b>	—
Less: Allowance for impairment of loans to non-related parties – micro-financing	<b>(6,925)</b>	(4,576)	—	—
Currency translation difference	<b>467</b>	(79)	—	—
	<b>17,436</b>	22,392	<b>437,506</b>	—
Other receivables				
– Loans to Subsidiaries (Note (c))	—	—	<b>3,646,568</b>	—
– Non-related parties	<b>9,272</b>	2,645	<b>127</b>	—
Trade and other receivables – current	<b>26,708</b>	25,037	<b>4,084,201</b>	—
<i>Non-current</i>				
Trade receivables				
Loans to non-related parties – micro-financing (Note (a))	<b>2,788</b>	10,182	—	—
Less: Allowance for impairment of loans to non-related parties – micro-financing	—	—	—	—
Trade and other receivables – non-current	<b>2,788</b>	10,182	—	—

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 18. TRADE AND OTHER RECEIVABLES (Cont'd)

- (a) Loans to non-related parties related to micro-financing activities relates to loans to small and medium sized entities by a Group's subsidiary.
- (b) Loans to related parties are unsecured, interest-bearing and repayable on demand.
- (c) Loans to subsidiaries are unsecured and interest-free. The settlement of the amounts is neither planned nor likely to occur in the next twelve months.

### 19. INVESTMENT PROPERTIES

	2022 S\$'000	2021 S\$'000
<b>Group</b>		
<b>Cost</b>		
Beginning of financial year	<b>25,812</b>	24,695
Additions (Note (a))	<b>260</b>	–
Currency translation difference	<b>(2,354)</b>	1,117
End of financial year	<b>23,718</b>	25,812
<b>Accumulated depreciation</b>		
Beginning of financial year	<b>(1,277)</b>	(414)
Depreciation charge (Note 6)	<b>(1,257)</b>	(831)
Currency translation difference	<b>356</b>	(32)
End of financial year	<b>(2,178)</b>	(1,277)
<b>Net book value</b>	<b>21,540</b>	24,535

- (a) Included in additions is capitalised expenditure of S\$260,000 (2021: S\$ Nil).

The investment properties were acquired by the Group in 2020 through a PRC court process in 2020, as a form of settlement for default in repayment of certain debt investments at amortised cost amounting to S\$14,437,000 and loans to non-related parties – micro-financing amounting to S\$9,212,000.

The following amounts are recognised in profit and loss:

	2022 S\$'000	2021 S\$'000
Rental income	<b>405</b>	413

The direct operating expenses arising from the investment property that generate rental income are immaterial for the financial years ended 31 December 2022 and 2021.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 19. INVESTMENT PROPERTIES (Cont'd)

At the reporting date, the details of the Group's investment properties are as follows:

<b>Location</b>	<b>Description</b>	<b>Tenure</b>	<b>Carrying amount as at 31 December</b>	
			<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
Jiangyin City Real Estate Property No. 0002049, Ganglong Commercial Plaza No. 209-212	Retail building	32-year lease from June 2020	<b>19,733</b>	22,453
Room 801, No. 95 Dongjin West Road, Hailing District	Commercial building	23-year lease from May 2020	<b>1,807</b>	2,082
			<b>21,540</b>	24,535

The fair value of investment properties at 31 December 2022 is approximately S\$27,618,538 (2021: S\$27,618,538).

The fair value was determined by external, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of the Group's investment properties is classified within Level 3 of the fair value hierarchy and has been derived using the market approach and income method. The most significant input in each valuation approach is the comparable sales price and capitalisation rate respectively.

As at 31 December 2022 and 2021, the Group has determined that the recoverable amount based on fair value is higher than the carrying value of the investment properties and no impairment loss was recognised.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**20. PROPERTY, PLANT AND EQUIPMENT**

	<b>Buildings S\$'000</b>	<b>Furniture, fittings &amp; equipment S\$'000</b>	<b>Leasehold building S\$'000</b>	<b>Total S\$'000</b>
<b>Group</b>				
<b>2022</b>				
<i>Cost</i>				
Beginning of financial year	<b>2,368</b>	<b>6</b>	<b>–</b>	<b>2,374</b>
Additions	–	<b>10</b>	<b>1,116</b>	<b>1,126</b>
Currency translation difference	<b>(213)</b>	<b>49</b>	<b>–</b>	<b>(164)</b>
End of financial year	<b>2,155</b>	<b>65</b>	<b>1,116</b>	<b>3,336</b>
<i>Accumulated depreciation</i>				
Beginning of financial year	<b>(290)</b>	<b>(6)</b>	<b>–</b>	<b>(296)</b>
Depreciation charge	<b>(215)</b>	<b>–</b>	<b>–</b>	<b>(215)</b>
Currency translation difference	<b>38</b>	<b>(49)</b>	<b>–</b>	<b>(11)</b>
End of financial year	<b>(467)</b>	<b>(55)</b>	<b>–</b>	<b>(522)</b>
<i>Net book value</i>				
<b>End of financial year</b>	<b>1,688</b>	<b>10</b>	<b>1,116</b>	<b>2,814</b>
<b>2021</b>				
<i>Cost</i>				
Beginning of financial year	<b>2,265</b>	<b>6</b>	<b>–</b>	<b>2,271</b>
Currency translation difference	<b>103</b>	<b>–</b>	<b>–</b>	<b>103</b>
End of financial year	<b>2,368</b>	<b>6</b>	<b>–</b>	<b>2,374</b>
<i>Accumulated depreciation</i>				
Beginning of financial year	<b>(167)</b>	<b>(6)</b>	<b>–</b>	<b>(173)</b>
Depreciation charge	<b>(113)</b>	<b>–</b>	<b>–</b>	<b>(113)</b>
Currency translation difference	<b>(10)</b>	<b>–</b>	<b>–</b>	<b>(10)</b>
End of financial year	<b>(290)</b>	<b>(6)</b>	<b>–</b>	<b>(296)</b>
<i>Net book value</i>				
<b>End of financial year</b>	<b>2,078</b>	<b>–</b>	<b>–</b>	<b>2,078</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 20. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	<b>Buildings</b> <b>S\$'000</b>	<b>Furniture, fittings &amp; equipment</b> <b>S\$'000</b>	<b>Leasehold building</b> <b>S\$'000</b>	<b>Total</b> <b>S\$'000</b>
<u>Company</u>				
<b>2022</b>				
Cost				
Beginning of financial year	-	-	-	-
Additions	-	-	1,116	1,116
End of financial year	-	-	1,116	1,116
<i>Accumulated depreciation</i>				
Beginning and end of financial year	-	-	-	-
<b>Net book value</b>				
<b>End of financial year</b>	<b>-</b>	<b>-</b>	<b>1,116</b>	<b>1,116</b>
<b>2021</b>				
Cost				
Beginning and end of financial year	-	-	-	-
<i>Accumulated depreciation</i>				
Beginning and end of financial year	-	-	-	-
<b>Net book value</b>				
<b>End of financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 21. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>	<b>31 December</b>	<b>2022</b>	<b>2021</b>
	<b>2022</b> <b>S\$'000</b>	<b>2021</b> <b>S\$'000</b>	<b>2022</b> <b>S\$'000</b>	<b>2021</b> <b>S\$'000</b>
Deferred tax assets	65,728	72,629	-	-
Deferred tax liabilities	(228,906)	(82,817)	(222,747)	-
Net deferred tax liabilities	<b>(163,178)</b>	(10,188)	<b>(222,747)</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 21. DEFERRED INCOME TAXES (Cont'd)

Movements in net deferred income tax accounts are as follows:

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Beginning of financial year	(10,188)	24,819	–	–
Spin-off process (Note 29)	(167,507)	–	(235,502)	–
Currency translation differences	(3,306)	512	12,755	–
Tax credited/(charged) to profit or loss (Note 10)	17,823	(35,519)	–	–
End of financial year	(163,178)	(10,188)	(222,747)	–

Deferred income tax assets are recognised to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at balance sheet date, there is no unrecognised tax losses which can be carried forward and used to offset against future taxable income.

The movement in deferred income tax assets and liabilities is as follows:

#### Group

##### *Deferred income tax assets*

	Impairment		Fair value
	losses S\$'000	losses S\$'000	Total S\$'000
<b>2022</b>			
As at 1 January	72,629	–	72,629
(Charged)/credited to profit or loss	(9,948)	6,706	(3,242)
Currency translation difference	(3,296)	(363)	(3,659)
As at 31 December	59,385	6,343	65,728
<b>2021</b>			
As at 1 January	76,654	–	76,654
Charged to profit or loss	(7,367)	–	(7,367)
Currency translation difference	3,342	–	3,342
As at 31 December	72,629	–	72,629

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 21. DEFERRED INCOME TAXES (Cont'd)

#### Group (Cont'd)

##### *Deferred income tax liabilities*

	<b>Undistributed profits of subsidiaries S\$'000</b>	<b>Fair value gain S\$'000</b>	<b>Total S\$'000</b>
<b>2022</b>			
As at 1 January	(55,240)	(27,577)	(82,817)
Spin-off process (Note 29)	(167,507)	-	(167,507)
(Charged)/credited to profit or loss	(6,512)	27,577	21,065
Currency translation difference	353	-	353
As at 31 December	<b>(228,906)</b>	-	<b>(228,906)</b>
<b>2021</b>			
As at 1 January	(35,774)	(16,061)	(51,835)
Charged to profit or loss	(17,546)	(10,606)	(28,152)
Currency translation difference	(1,920)	(910)	(2,830)
As at 31 December	<b>(55,240)</b>	<b>(27,577)</b>	<b>(82,817)</b>

#### Company

##### *Deferred income tax liabilities*

	<b>Undistributed profits S\$'000</b>
<b>2022</b>	
As at 1 January	-
Spin-off process (Note 29)	(235,522)
Charged to profit or loss	-
Currency translation difference	12,775
As at 31 December	<b>(222,747)</b>
<b>2021</b>	
As at 1 January and 31 December	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 22. OTHER PAYABLES

	Group		Company	
	31 December		31 December	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Other payables				
– Related parties	–	609	136,211	–
– Non-related parties	52,917	2,151	846	–
Net deferred tax liabilities	52,917	2,760	137,057	–

Amount due to related parties is unsecured, interest-free, and repayable on demand.

### 23. LEASES – THE GROUP AS A LESSEE

#### Nature of the Group's and the Company's leasing activities

The Group and the Company leases office space for the purpose of head office operations.

- (a) Carrying amount

#### ROU asset classified within property, plant and equipment

	2022 S\$'000	2021 S\$'000
Leasehold building	1,116	–
	1,116	–

- (b) Depreciation charge during the year

	2022 S\$'000	2021 S\$'000
Leasehold building	–	–
	–	–

- (c) Interest expense

	2022 S\$'000	2021 S\$'000
Interest expense on lease liabilities	–	–
	–	–

- (d) Total cash outflow for all leases in 2022 was S\$Nil (2021: S\$Nil).

- (e) Addition of ROU assets during the financial year 2022 was S\$1,116,000 (2021: S\$Nil).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 24. BORROWINGS

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<i>Current</i>				
Bank borrowings	<b>13,446</b>	—	—	—
Lease liabilities	<b>384</b>	—	<b>384</b>	—
	<b>13,830</b>	—	<b>384</b>	—
<i>Non-current</i>				
Bank borrowings	—	—	—	—
Lease liabilities	<b>732</b>	—	<b>732</b>	—
	<b>732</b>	—	<b>732</b>	—
Total borrowings	<b>14,562</b>	—	<b>1,116</b>	—

All the above borrowings are measured at amortised cost. Information about the Group's and Company's exposure to interest rate and liquidity risks is included in Note 30.

### 25. SHARE CAPITAL AND TREASURY SHARES

	Number of shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S\$'000	Treasury shares S\$'000
<i>Group and Company</i>				
<b>2022</b>				
Beginning of financial year	<b>3,950,589</b>	—	<b>2,084,771</b>	—
Treasury shares purchased	—	(259,611)	—	(94,120)
Spin-off process <sup>#</sup> (Note 29)	—	—	<b>2,067,191</b>	—
Currency translation difference	—	—	(293,267)	—
End of financial year	<b>3,950,589</b>	(259,611)	<b>3,858,695</b>	(94,120)
<b>2021</b>				
Beginning of financial year	3,950,589 <sup>^</sup>	—	2,167,752	—
Movement in combined capital	—	—	(82,981)	—
End of financial year	3,950,589	—	2,084,771	—

<sup>^</sup> Number of ordinary shares issued by the Company due to reorganisation in Note 1.

<sup>#</sup> Represents the effect of spin-off of the Company and its subsidiaries from Yangzijiang Shipbuilding (Holdings) Ltd., the previous owner of the Company before the spin-off, on the equity of the Group in April 2022.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

(a) Treasury shares

The Company acquired 259,611,000 (2021: Nil) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was S\$94,120,000 (2021: S\$Nil) and this was presented as a component within shareholder's equity.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 26. OTHER RESERVES

	Group		Company	
	31 December		31 December	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
(a) Composition:				
Currency translation reserve	(2,718)	272,369	(988)	–
Reserve funds	26,963	15,042	–	–
	<b>24,245</b>	287,411	<b>(988)</b>	–
(b) Movement:				
<b>(i) Currency translation reserve</b>				
Beginning of financial year	<b>272,369</b>	103,176	–	–
Currency translation difference for presentation currency	(297,585)	169,193	(294,255)	–
Translation differences arising from translation of equity items to presentation currency	<b>294,867</b>	–	<b>293,267</b>	–
Spin-off process (Note 29)	<b>(272,369)</b>	–		
End of financial year	<b>(2,718)</b>	272,369	<b>(988)</b>	–
<b>(ii) Reserve funds</b>				
Beginning of financial year	<b>15,042</b>	13,373	–	–
Transfer from retained earnings	<b>15,096</b>	1,669	–	–
Spin-off process (Note 29)	<b>(2,273)</b>	–	–	–
Translation differences arising from translation of equity items to presentation currency	<b>(902)</b>	–	–	–
End of financial year	<b>26,963</b>	15,042	–	–

#### (a) Statutory reserves

In accordance with the relevant rules and regulations, the Group's subsidiaries in the PRC are required to appropriate certain percentage of their profits to various reserve funds.

All subsidiaries which are considered as Wholly Owned Foreign Enterprise may discontinue the contribution to the reserve fund when the aggregate sum of the reserve fund is more than 50% of the registered capital in accordance with the "Law of the PRC on Enterprise Operated Exclusively with Foreign Capital".

During the financial year ended 31 December 2022, the Group's subsidiaries have appropriated S\$15,096,000 (2021: S\$1,669,000) from their profits to statutory reserves.

#### (b) Currency translation reserves

Currency translation reserves represents the currency translation differences resulting from the translation of the Group's entities financial statements that have functional currency different from the Group's presentation currency as well as differences in functional and presentation currency of the Group's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### **27. DIVIDENDS**

	<b>Group</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
<i>Ordinary dividends</i>	—	—
Final exempt dividend	—	—

A final exempt (one-tier) dividend of 1.80 Singapore cents per share amounting to S\$66,437,606 has been recommended for the shareholders' approval at the Annual General Meeting on 21 April 2023. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

### **28. OWNER'S NET INVESTMENT**

YZJ Financial Group operated and was managed as part of the YZJ Group prior to the spin-off on 28 April 2022. The owner's net investment reflects the net funding position between YZJ Financial Group and YZJ Group. The net funding position relates to all balances with YZJ Group, except for intercompany current accounts with YZJ Group that are settled periodically based on instructions from YZJ Group treasury department.

### **29. SPIN-OFF PROCESS**

YZJ Financial Group's spin-off took effect in April 2022. The combined capital was replaced by share capital of YZJ Group. The owner's net investment, reserves and retained earnings of the Investment Business up till spin-off date were distributed back to YZJ Group prior to the spin-off date.

### **30. FINANCIAL RISK MANAGEMENT**

#### *Financial risk factors*

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The management is responsible for setting the objectives and underlying principles of financial risk management for the Group, including establishing operating guidelines governing the activities of the Group, such as risk identification and measurement, risk management, oversight responsibilities, authority levels and exposure limits.

#### (a) Market risk

##### (i) *Currency risk*

The Group's currency risk arises mainly from its foreign currency denominated cash balances, financial assets at fair value through profit or loss and debt investments at amortised cost. The Group aims to mitigate the currency risk by entering into currency swaps and forwards, in accordance with the Group's financial risk management policies.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (a) Market risk (Cont'd)

##### (i) Currency risk (Cont'd)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S\$'000	RMB S\$'000	USD S\$'000	JPY S\$'000	EUR S\$'000	GBP S\$'000	Total S\$'000
<b>The Group</b>							
<b>At 31 December</b>							
<b>2022</b>							
<b>Financial assets</b>							
Cash and cash equivalents	16,151	497,811	15,362	91,362	-	-	620,686
Financial assets at fair value through profit or loss	-	328,547	141,525	-	-	-	470,072
Debt investments at amortised cost	18,057	2,402,236	219,720	-	21,083	10,811	2,671,907
Trade and other receivables	9,739	19,757	-	-	-	-	29,496
	<b>43,947</b>	<b>3,248,351</b>	<b>376,607</b>	<b>91,362</b>	<b>21,083</b>	<b>10,811</b>	<b>3,792,161</b>
<b>Financial liabilities</b>							
Trade and other payables	-	-	(52,917)	-	-	-	(52,917)
Borrowings	(1,116)	-	(13,446)	-	-	-	(14,562)
	<b>(1,116)</b>	<b>-</b>	<b>(66,363)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67,479)</b>
Currency contracts	(33,154)	(418,890)	440,857	36,834	(21,478)	(11,045)	
Net financial assets/(liabilities)	9,677	2,829,461	751,101	128,196	(395)	(234)	

As of 31 December 2021, the Group's business operations is not exposed to significant foreign currency risk as there are no significant transactions denominated in foreign currencies.

The Company's currency exposure based on the information provided to key management is as follows:

	SGD S\$'000	RMB S\$'000	USD S\$'000	JPY S\$'000	Total S\$'000
<b>The Company</b>					
<b>At 31 December 2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	267	6	13,602	59,151	73,026
Trade and other receivables	-	3,646,569	467,118	-	4,113,687
	<b>267</b>	<b>3,646,575</b>	<b>480,720</b>	<b>59,151</b>	<b>4,186,713</b>
<b>Financial liabilities</b>					
Trade and other payables	(30,334)	(135,059)	(1,150)	-	(166,543)
	<b>(30,334)</b>	<b>(135,059)</b>	<b>(1,150)</b>	<b>-</b>	<b>(166,543)</b>
Currency contracts	-	(418,890)	357,535	57,320	
Net financial assets/(liabilities)	(30,067)	3,092,626	837,105	116,471	

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (a) Market risk (Cont'd)

##### (i) Currency risk (Cont'd)

As of 31 December 2021, the Company has yet to commence operations.

If the SGD, USD and JPY change against the RMB with all other variables including tax rate being held constant, the effects arising from the net financial assets/(liabilities) excluding equity instruments that are exposed to the currency risk will be as follows:

	Increase/(Decrease)		Possible rate change	
	Profit after tax 2022 S\$'000	2021 S\$'000	2022	2021
<b>The Group</b>				
SGD against RMB:				
– Strengthened	<b>803</b>	–	<b>10%</b>	–
– Weakened	<b>(803)</b>	–	<b>10%</b>	–
USD against RMB:				
– Strengthened	<b>56,107</b>	–	<b>9%</b>	–
– Weakened	<b>(56,107)</b>	–	<b>9%</b>	–
JPY against RMB:				
– Strengthened	<b>5,320</b>	–	<b>5%</b>	–
– Weakened	<b>(5,320)</b>	–	<b>5%</b>	–
<b>The Company</b>				
SGD against RMB:				
– Strengthened	<b>(2,496)</b>	–	<b>10%</b>	–
– Weakened	<b>2,496</b>	–	<b>10%</b>	–
USD against RMB:				
– Strengthened	<b>62,532</b>	–	<b>9%</b>	–
– Weakened	<b>(62,532)</b>	–	<b>9%</b>	–
JPY against RMB:				
– Strengthened	<b>4,834</b>	–	<b>5%</b>	–
– Weakened	<b>(4,834)</b>	–	<b>5%</b>	–

##### (ii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risks arise primarily from its cash and cash equivalents, restricted cash, debt investments at amortised cost and loans to non-related parties – micro-financing. The Group's policy is to minimise exposure to variable interest rates of interest-bearing assets.

As at balance sheet date, the Group's investments in debt investments at amortised cost and loans to non-related parties – microfinancing were not exposed to cash flow interest rate risk as they were all fixed rated instruments.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (a) Market risk (Cont'd)

##### (iii) *Price risk*

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets, at FVPL. To manage its price risk arising from these investments, the Group ensures that the investments are within authorised mandate based on its approved financial risk management and operating guidelines.

If prices for equity security in PRC had increased/decreased by 10% (2021: 10%) with all other variables including tax rate being held constant, the net of tax effects on profit after tax ("PAT") would have been:

	<b>Increase/(decrease)</b>	
	<b>2022</b>	<b>2021</b>
	<b>PAT</b>	<b>PAT</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Increased by	<b>35,255</b>	37,907
Decreased by	<b>(35,255)</b>	(37,907)

#### (b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

Except as disclosed below, the maximum exposure to credit risk for those financial assets which the Group and the Company do not hold collaterals is the carrying amount of that class of financial instruments presented on the balance sheet.

The Group's and the Company's credit risk exposure in relation to financial assets at amortised cost and contract assets under SFRS(I) 9 as at 31 December 2022 and 2021 are set out in the as follows:

##### (i) *Cash and cash equivalents*

Cash and cash equivalents are considered to have low credit risk as the Group and the Company adopt the policy of dealing only with major banks of high credit standing throughout the world.

To mitigate credit risk, the Company adopts the policy of dealing only with financial institutions and other counterparties with high credit ratings.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### **30. FINANCIAL RISK MANAGEMENT** (Cont'd)

#### (b) Credit risk (Cont'd)

##### (ii) *Loans to non-related parties – microfinance*

Loans to non-related parties – microfinance are related to the micro-credit provided to enterprises and individuals.

All the loans to non-related parties – microfinance are secured by either single or a group of collaterals or by guarantees. The Group monitors the market value of these collaterals on a periodic basis and has contractual safeguards in place to minimise credit risk as they have the right to call for additional collateral if the value of the initial collateral is inadequate. The Group uses internal credit risk rating to determine the credit risk and determine the credit loss allowance.

The Group applies a general 3 stage approach to measure expected credit loss. In measuring expected credit loss, the Group considers the probability of default upon the initial recognition of the loan and assess whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

A significant increase in credit risk is presumed if there is a decline in internal credit risk grading. A default on a loan is when the counterparty fails to make contractual payments for a prolonged period when they fall due.

The fair value of the collaterals is considered when providing for loss allowance. The carrying amounts of loans to non-related parties – microfinance before loss allowance presented by the type of collaterals held are as follows:

	<b>2022</b> <b>S\$'000</b>	<b>2021</b> <b>S\$'000</b>
Collateralised by:		
– Listed shares in PRC	–	99
– Unlisted shares in PRC	–	2,152
– Properties and land use rights	<b>10,255</b>	21,121
– Guaranteed by non-related individuals	<b>14,702</b>	12,531
– Guaranteed by non-related corporations	<b>1,725</b>	1,326
	<b>26,682</b>	37,229

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (b) Credit risk (Cont'd)

##### (ii) *Loans to non-related parties – microfinance* (Cont'd)

As at 31 December 2022 and 2021, the Group measures loss allowance for loans to non-related parties – microfinancing for 12-month expected credit losses.

	2022 S\$'000	2021 S\$'000
As at 1 January	<b>4,655</b>	3,514
Loss allowance recognised in profit or loss during the year on:		
– Assets acquired/originated	<b>2,349</b>	964
	<b>7,004</b>	4,478
Currency translation difference	<b>(546)</b>	177
As at 31 December	<b>6,458</b>	4,655

##### (iii) *Other receivables and other financial assets*

Other receivables and other financial assets are due substantially from counterparties with a good collection track record with the Group and subject to immaterial credit losses.

##### (iv) *Debt investments at amortised cost*

For each debt investment, the Group's credit risk management strategy is to obtain a principal collateral of higher liquidity, and additional collaterals on top of the principal collateral, where necessary.

The Group applies general 3 stage approach to measure expected credit loss. In measuring expected credit loss, the Group considers the probability of default upon initial recognition of investment and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

The Group uses internal credit risk grading for its debt investments and these internal credit risk grading is established by reference to industry practice.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (b) Credit risk (Cont'd)

##### (iv) *Debt investments at amortised cost (Cont'd)*

The summary of impairment assessment is presented as follows:

<b>Category</b>	<b>Performing (Stage 1)</b>	<b>Under-performing (Stage 2)</b>	<b>Non-performing (Stage 3)</b>	<b>Write-off</b>
Definition of category	Borrowers have a low risk of default or a strong capacity to meet contractual cash flows	Borrowers for which there is a significant increase in credit risk; significant increase in credit risk is presumed if there is a decline in internal credit risk grading (which could result from interest payments past due)	Principal and/or interest payments past due; Borrowers facing litigations; or extension of principal repayment date due to financial difficulties	No reasonable expectation of recovery
Basis of recognition of expected credit loss	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Asset is written off

Over the term of the investment, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward looking macroeconomic data. The forward looking macroeconomic data incorporates adjustments for weighted average economic scenario outcomes, being 10% upside, 10% downside and 80% base (2021: 23% upside, 17% downside and 60% base) case scenarios, and are derived using publicly available data and internal forecast.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (b) Credit risk (Cont'd)

##### (iv) Debt investments at amortised cost (Cont'd)

The Group provides for credit losses against debt investments as follows:

Category	Performing S\$'000	Under- performing S\$'000	Non- performing S\$'000	Total S\$'000
<b>2022</b>				
Expected credit loss rates	5.6%	10.9%	—*	
Gross carrying amount	1,347,746	149,382	1,141,897	2,639,025
Credit loss allowance	(84,135)	(17,373)	(153,636)	(255,144)
Currency translation difference	8,873	1,147	8,333	18,353
Net carrying amount of fixed interest debt instruments through intermediary financial institutions in China	1,272,484	133,156	996,594	2,402,234
Government bonds and other short-term investments offered by various banks	269,673	—	—	269,673
Net carrying amount	1,542,157	133,156	996,594	2,671,907
<b>2021</b>				
Expected credit loss rates	4.0%	4.7%	—*	
Gross carrying amount	3,158,504	123,430	638,224	3,920,158
Credit loss allowance	(125,182)	(5,749)	(267,774)	(398,705)
Currency translation difference	(2,154)	(98)	(4,606)	(6,858)
Net carrying amount	3,031,168	117,583	365,844	3,514,595

\* The ECL for non-performing investment is determined on an individual basis using a discounted cash flow methodology. Expected future cash flows are based on the management estimates as at the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries. Collateral is taken into account if it is likely that the recovery of the outstanding amount will include realisation of collateral based on its estimated fair value of collateral at the time of expected realisation, less costs for obtaining and selling the collateral. The cash flows are discounted at the original effective interest rate.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (b) Credit risk (Cont'd)

##### (iv) *Debt investments at amortised cost* (Cont'd)

The loss allowance for debt investments as at 31 December 2022 and 2021 reconciles to the opening loss allowance for that provision as follows:

	<b>Stage 1 S\$'000</b>	<b>Stage 2 S\$'000</b>	<b>Stage 3 S\$'000</b>	<b>Total S\$'000</b>
<b>2022</b>				
Balance at 1 January	125,182	5,749	267,774	398,705
Transfer to Stage 3	(56,927)	(422)	57,349	-
Transfer to Stage 2	(1,762)	1,762	-	-
Spin-off process	-	-	(262,151)	(262,151)
Loss allowance recognised in profit or loss during the year on:				
– Asset acquired/originated*	18,826	–	3,265	22,091
– Reversal of unutilised amount	(3,829)	(684)	–	(4,513)
– Changes in risk parameters**	808	10,097	93,021	103,926
	15,805	9,413	96,286	121,504
Currency translation difference	1,837	871	(5,622)	(2,914)
Balance at 31 December	<b>84,135</b>	<b>17,373</b>	<b>153,636</b>	<b>255,144</b>
<b>2021</b>				
Balance at 1 January	179,237	6,573	214,677	400,487
Transfer to Stage 3	(6,035)	–	6,035	–
Transfer to Stage 2	(883)	883	–	–
Loss allowance recognised in profit or loss during the year on:				
– Asset acquired/originated*	104,222	–	16,670	120,892
– Reversal of unutilised amount	(139,124)	(108)	(32,214)	(171,446)
– Changes in risk parameters**	(20,173)	(1,871)	62,466	40,422
	(55,075)	(1,979)	46,922	(10,132)
Utilisation	–	–	(9,125)	(9,125)
Currency translation difference	7,938	272	9,265	17,475
Balance at 31 December	<b>125,182</b>	<b>5,749</b>	<b>267,774</b>	<b>398,705</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (b) Credit risk (Cont'd)

##### (iv) *Debt investments at amortised cost* (Cont'd)

- \* This relates to the loss allowance recorded in profit or loss on debt investments acquired/originated in the same year and for which the debt investment remains outstanding as at balance sheet date. These debt investments dropped to Stage 2 or 3 after origination and during the financial year.
- \*\* For the performing and under-performing debt investments, the change in the loss allowance is due to change in the probability of default used or estimated loss given default to calculate the expected credit losses.

For the non-performing debt investments, the change in the loss allowance is due to change in the estimated loss given default to calculate the lifetime expected credit loss.

The fair value of the collaterals is considered when providing for loss allowance. The carrying amounts of debt investments before loss allowance, presented by the type of collaterals held, are as follows:

	2022 S\$'000	2021 S\$'000
Collateralised by:		
– Listed shares in PRC*	<b>551,769</b>	581,762
– Unlisted shares in PRC	<b>521,697</b>	732,582
– Properties and land use rights	<b>1,037,234</b>	1,450,906
– Guaranteed by government corporations and non-related corporations	<b>797,998</b>	1,154,908
	<b>2,908,698</b>	3,920,158

\* Included in the listed shares in PRC is an amount of S\$90,788,698 (2021: S\$90,788,698) of shares which will only be available for trading after the expiry of their restriction period.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (c) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and marketable securities to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's non-derivative financial liabilities into relevant maturity groupings on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<b>Less than 1 year S\$'000</b>	<b>Between 1 and 2 years S\$'000</b>	<b>Between 2 and 5 years S\$'000</b>	<b>Over 5 years S\$'000</b>
<b>The Group</b>				
<b>As at 31 December 2022</b>				
Undrawn capital commitments	<b>425,624</b>	-	-	-
Bank borrowings	<b>13,446</b>	-	-	-
Lease liabilities	<b>384</b>	<b>374</b>	<b>358</b>	-
Other payables	<b>52,917</b>	-	-	-
	<b>492,371</b>	<b>374</b>	<b>358</b>	-
<b>As at 31 December 2021</b>				
Undrawn capital commitments	276,307	-	-	-
Other payables	2,760	-	-	-
	<b>279,067</b>	-	-	-
<b>The Company</b>				
<b>As at 31 December 2022</b>				
Lease liabilities	<b>384</b>	<b>374</b>	<b>358</b>	-
Other payables	<b>137,057</b>	-	-	-
	<b>137,441</b>	<b>374</b>	<b>358</b>	-
<b>As at 31 December 2021</b>				
Undrawn capital commitments	-	-	-	-
Other payables	-	-	-	-
	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The Group monitors capital on the basis of the total liabilities to total assets ratio.

The Group's strategy is to maintain a stable total liabilities to total assets ratio. The ratios at balance sheet date were as follows:

	<b>The Group</b>	
	<b>2022</b> <b>S\$'000</b>	<b>2021</b> <b>S\$'000</b>
Total liabilities	<b>332,128</b>	151,106
Total assets	<b>4,205,947</b>	4,399,906
Liability-to-asset ratio	<b>7.9%</b>	3.4%

The Group and the Company do not have external imposed capital requirement for the financial years ended 31 December 2022 and 2021.

#### (e) Fair value measurements

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**30. FINANCIAL RISK MANAGEMENT** (Cont'd)

(e) Fair value measurements (Cont'd)

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>31 December 2022</b>				
<b>Assets</b>				
Financial assets, at fair value through profit or loss	<b>27,597</b>	–	<b>442,475</b>	<b>470,072</b>
<b>31 December 2021</b>				
<b>Assets</b>				
Financial assets, at fair value through profit or loss	75,761	–	429,665	505,426

There were no transfers between Levels 1 and 2 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 of the fair value hierarchy.

The fair values of unlisted equity securities, classified as financial assets at fair value through profit or loss have been determined by reference to the Company's share in attributable net assets in the investee companies. The investee companies have measured their own investments at fair value. The fair values are within level 3 of the fair value hierarchy.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The following table presents the changes in Level 3 instruments:

	Unlisted equity securities S\$'000
<b>2022</b>	
Beginning of the financial year	429,665
Spin-off process	(3,162)
Purchases	186,241
Disposal	(112,483)
Fair value losses included in:	
– Profit and loss (Note (a))	(23,673)
Currency translation difference	(34,113)
End of financial year	<b>442,475</b>
Fair value gains for the period included in profit or loss for financial assets held at the end of the financial year (Note (a))	<b>(863)</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 30. FINANCIAL RISK MANAGEMENT (Cont'd)

#### (e) Fair value measurements (Cont'd)

The following table presents the changes in Level 3 instruments: (continued)

	<b>Unlisted equity securities</b> <b>S\$'000</b>
<b>2021</b>	
Beginning of the financial year	507,237
Purchases	65,883
Disposal	(82,988)
Transferred from Level 1 to Level 3 instruments (Note (b))	7,854
Fair value losses included in:	
– Profit and loss (Note (a))	(89,575)
Currency translation difference	21,254
End of financial year	<u>429,665</u>
Fair value losses for the period included in profit or loss for financial assets held at the end of the financial year (Note (a))	<u>(89,575)</u>

- (a) The gains are presented in "fair value changes on financial assets at fair value through profit or loss" in the consolidated statement of comprehensive income.
- (b) Relates to equity securities which were previously listed and were delisted in 2021.

#### *Inputs used in Level 3 fair value measurements and sensitivity analysis*

The Group have the following financial instruments classified under Level 3 Fair Value Hierarchy, as follows:

	<b>Unobservable inputs</b>	<b>Range of unobservable inputs</b>	<b>Relationship of unobservable inputs to fair value</b>
Unlisted equity securities	Share of attributable net assets in the investee companies per 100 shares invested	S\$14 to S\$37* (2021: S\$18 to S\$569*)	There is a positive relationship between unobservable inputs and estimated fair value.

\* There is no (2021: 1) unlisted equity security for which the investee company is in net liabilities position and therefore not included in the range of unobservable inputs above.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### **30. FINANCIAL RISK MANAGEMENT** (Cont'd)

#### (f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets, except for the following:

	Group		Company	
	31 December		31 December	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Financial assets, at amortised cost	<b>3,322,089</b>	3,568,188	<b>4,157,227</b>	–
Financial liabilities, at amortised cost	<b>(52,917)</b>	(2,760)	<b>(138,173)</b>	–

### **31. RELATED PARTY TRANSACTIONS**

In addition to the information disclosed elsewhere in the combined financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

#### (a) Related party transactions

	2022 S\$'000	2021 S\$'000
Interest income from related parties	–	4,572
Advances/loan repayments received from related parties	–	256,560
Capital injection from YZJ Group	<b>4,151,962</b>	–
Capital return to YZJ Group	–	(82,981)
Debt investment at amortised costs – loan to a related party	–	(14,837)
Movement in funding to YZJ Group	<b>(1,055,462)</b>	(836,542)
Acquisition of a subsidiary	<b>(1,680)</b>	–

Related parties comprise mainly companies which are controlled or jointly controlled by the YZJ Group and companies which are controlled or jointly controlled by a member of the Group's key management personnel or a close member of that person's family.

As at 31 December 2022, none of the debt investments at amortised cost are with related parties (2021: S\$37,517,000).

Other outstanding balances with related parties at balance sheet date are disclosed in Notes 18 and 22 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 31. RELATED PARTY TRANSACTIONS (Cont'd)

#### (b) Key management personnel compensation

	The Group	
	2022 S\$'000	2021 <sup>#</sup> S\$'000
<b>Directors</b>		
Basic salaries	<b>45</b>	–
Contribution to defined contribution plans	<b>4</b>	–
<b>Senior management</b>		
Basic salaries	<b>1,063</b>	–
Contribution to defined contribution plans	<b>44</b>	–
Discretionary bonuses	<b>4</b>	–
	<b>1,160</b>	–

<sup>#</sup> No key management personnel compensation for the financial year ended 31 December 2021 as key management personnel was appointed subsequent to YZJ Group reorganisation exercise.

### 32. SEGMENT INFORMATION

Management has determined the operating segment based on the reports reviewed by the Executive Chairman and head of respective business departments (collectively known as "Management Team") that are used to make strategic decisions.

The principal activities of the Group consist of micro-financing, debt investments at amortised cost, fund management and other investments and therefore management considers that the Group operates in one single business segment at two geographical locations.

The Management Team considers the business mainly from a geographical perspective. Geographically, management manages and monitors the business from both the PRC and Singapore.

The Group's interest income based on the customers' locations are as follows:

	2022 S\$'000	2021 S\$'000
PRC	<b>324,866</b>	368,667
Singapore	<b>7,888</b>	–
	<b>332,754</b>	368,667

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 33. BUSINESS COMBINATION

On 28 April 2022, the Group acquired 100% equity interest in GEM Asset Management Pte. Ltd. ("GEM"). The principal activity of GEM is to provide fund management services in Singapore. As a result of the acquisition, the Group is expected to diversify its investment holding activities and enter into new business opportunities to provide fund management services.

Details of consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	<b>S\$'000</b>
(a) Purchase consideration	
Cash paid by the Group	3,300
<b>Consideration transferred for the acquisition</b>	<b>3,300</b>
	<b>S\$'000</b>
(b) Effect on cash flows of the Group	
Cash paid by the Group (as above)	3,300
Less: Cash and cash equivalents acquired	(2,301)
<b>Cash outflow from acquisition</b>	<b>999</b>
	<b>At fair value S\$'000</b>
(c) Identifiable assets acquired and liabilities assumed	
Trade receivables	73
Cash and cash equivalents	2,301
Total assets	2,374
Trade and other payables	314
Total liabilities	314
<b>Total identifiable net assets</b>	<b>2,060</b>
Add: Goodwill (Note 13)	1,061
<b>Consideration transferred for the acquisition</b>	<b>999</b>

### 34. CONTINGENT LIABILITIES

As at date of these financial statements, the Group had no material contingent liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2023 and which the Group has not early adopted.

**Amendments to SFRS(I) 1-1 Presentation of Financial Statements:** Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

### 36. IMPACT OF COVID-19

Since 2020, the COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in the PRC, which has not been spared by the spread of COVID-19.

The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability and fair value of assets as at 31 December 2022. Significant estimates and judgement applied on estimation of impairment of assets are disclosed in Note 3.

### 37. COMPARATIVES

The comparative financial statements prior to the spin-off had been prepared on a "carve-out basis" from the YZJ Group Consolidated Financial Statements for the purpose of presenting the financial position, financial performance and cash flow of the Investment Business.

### 38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Yangzijiang Financial Holding Ltd. passed on 24 March 2023.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

### 39. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

<b>Name of companies</b>	<b>Principal activities</b>	<b>Place of business/ country of incorporation</b>	<b>Effective equity holding 31 December</b>	
			<b>2022</b>	<b>2021</b>
			%	%
<b><u>Significant subsidiaries</u></b>				
<b><u>Directly held</u></b>				
GEM Asset Management Pte. Ltd.^	Provide fund management services	Singapore	<b>100</b>	–
GEM Direct Investments Pte. Ltd.#	Investment holdings	Singapore	<b>100</b>	–
GEM Yield Pte. Ltd.#	Investment holdings and cash management activities	Singapore	<b>100</b>	–
Gaohong International Limited&	Investment holdings	British Virgin Islands	<b>100</b>	–
Jiangsu Yangchuan Investment Development Co., Ltd.*	Investment holdings	PRC	<b>100</b>	–
<b><u>Indirectly held</u></b>				
Jingjiang Runyuan Rural Microfinance Co., Ltd.*	Provide microcredit to enterprise and individuals	PRC	<b>100</b>	100
Jiangsu New Yangzi Commerce & Trading Co., Ltd.*	Investment holdings	PRC	<b>100</b>	100
Anhui Ningyang Import and Export Trade Co., Ltd.*	Investment holdings	PRC	<b>100</b>	–
Hainan Yangheng Trading Co., Ltd.*	Investment holdings	PRC	<b>100</b>	–

# Audited by PricewaterhouseCoopers LLP, Singapore.

^ Audited by Foo Kon Tan LLP, Singapore.

& Not required to be audited under the laws of the country of incorporation.

\* These subsidiaries are audited by other accounting firms for local statutory purpose.

## STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2023

Issued and fully paid-up shares capital:	S\$3,858,695,000
Number of shares (excluding treasury share):	3,673,978,120
Class of shares:	Ordinary Shares
Voting per share:	One vote per share
Treasury Share:	276,611,100
Subsidiary Holdings:	Nil

### DISTRIBUTION OF SHAREHOLDINGS\*

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES		%
		%	NO. OF SHARES	
1 – 99	18	0.08	130	0.00
100 – 1,000	1,841	8.24	1,624,208	0.04
1,001 – 10,000	11,328	50.72	66,917,059	1.82
10,001 – 1,000,000	9,065	40.58	538,441,121	14.62
1,000,001 AND ABOVE	85	0.38	3,075,995,602	83.52
<b>TOTAL</b>	<b>22,337</b>	<b>100.00</b>	<b>3,682,978,120</b>	<b>100.00</b>

\* The information in this table does not take into account the 9,000,000 shares acquired between 16 March 2023 to 23 March 2023.

### TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	912,638,085	24.78
2	CITIBANK NOMINEES SINGAPORE PTE LTD	863,416,160	23.44
3	DBSN SERVICES PTE. LTD.	366,840,839	9.96
4	DBS NOMINEES (PRIVATE) LIMITED	183,684,561	4.99
5	PHILLIP SECURITIES PTE LTD	88,505,693	2.40
6	MAYBANK SECURITIES PTE. LTD.	79,053,500	2.15
7	ABN AMRO CLEARING BANK N.V.	72,070,500	1.96
8	RAFFLES NOMINEES (PTE.) LIMITED	65,283,193	1.77
9	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	46,839,665	1.27
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	41,439,800	1.13
11	IFAST FINANCIAL PTE. LTD.	30,564,200	0.83
12	UOB KAY HIAN PRIVATE LIMITED	25,260,600	0.69
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	23,805,400	0.65
14	KGI SECURITIES (SINGAPORE) PTE. LTD.	20,418,700	0.55
15	TJENDRI ANASTASIA	19,510,100	0.53
16	EDB INVESTMENTS PTE LTD	18,587,360	0.50
17	OCBC SECURITIES PRIVATE LIMITED	17,024,300	0.46
18	SOON LI HENG CIVIL ENGINEERING PTE LTD	16,000,000	0.43
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	13,559,706	0.37
20	BPSS NOMINEES SINGAPORE (PTE.) LTD.	10,918,738	0.30
<b>TOTAL</b>		<b>2,915,421,100</b>	<b>79.16</b>

## STATISTICS OF SHAREHOLDINGS

AS AT 23 MARCH 2023

<b>Substantial Shareholders</b>	<b>Direct Interest</b>	<b>Deemed Interest</b>	<b>Total Percentage Interest (%)<sup>(2)</sup></b>
Ren Yuanlin <sup>(1)</sup>	–	852,845,825	23.2131
Yangzi International Holdings Limited	852,845,825	–	23.2131
Julius Baer Trust Company (Singapore) Limited as trustee of YZJ Settlement <sup>(3)</sup>	–	852,845,825	23.2131
Sapphire Skye Limited (as nominee of Zedra Trust Company (Singapore) Limited) <sup>(4)</sup>	–	394,134,000	10.7277
Lido Point Investments Ltd	394,134,000	–	10.7277

(1) Ren Yuanlin is the settlor and sole beneficiary of the YZJ Trust, which is revocable by the settlor and established as a "purpose trust". Under the terms of the YZJ Trust, Ren Yuanlin has the powers, as settlor, to direct Julius Baer Trust Company (Singapore) Limited, as trustee, as to the investment in the Shares which form the assets of the YZJ Trust. Such powers include decisions relating to any purchase, sale, exchange, letting or retention and exercising of any voting and other rights in relation to the Shares. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. Accordingly, Ren Yuanlin is deemed to be interested in the 852,845,825 Shares held by Yangzi International Holdings Limited, by virtue of Section 4 of the SFA.

(2) Based on 3,673,978,120 Shares in issue as at the Latest Practicable Date, excluding subsidiary holdings and 276,611,100 treasury shares as at the Latest Practicable Date.

(3) Julius Baer Trust Company (Singapore) Limited is the trustee of the YZJ Trust. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. For further details on the YZJ Trust, please refer to note 1. By virtue of Section 4 of the SFA, Julius Baer Trust Company (Singapore) Limited is deemed to have an interest in the 852,845,825 Shares held by Yangzi International Holdings Limited.

(4) Sapphire Skye Limited is wholly-owned by Zedra Trust Company (Singapore) Limited which is the trustee of an employee benefit trust set up for the purpose of rewarding employees of the YSL and its subsidiaries ("Lido Trust"). Under the terms of Lido Trust, Zedra Trust Company (Singapore) Limited manages 394,134,000 Shares held by Lido Point Investments Ltd. By virtue of Section 4 of the SFA, Sapphire Skye Limited (as nominee of Zedra Trust Company (Singapore) Limited) is deemed interested in the 394,134,000 Shares held by Lido Point Investments Ltd.

### SHAREHOLDING HELD IN PUBLIC HANDS

Approximately 65.81% of the shareholding of the Company is held in the hands of the public as at 23 March 2023 and Rule 723 of the Listing Manual is complied with.

## NOTICE OF FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the First Annual General Meeting of the Company will be held by way of electronic means on Friday, 21 April 2023 at 3.00 p.m. to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' Statements and the Auditors' Report thereon. **(Resolution 1)**
2. To declare a tax exempt (one-tier) final dividend of S\$0.018 per ordinary share in respect of the financial year ended 31 December 2022. **(Resolution 2)**
3. To approve the proposed Directors' fees of S\$256,500 for the financial year ended 31 December 2022. **(Resolution 3)**
4. To re-elect Mr Ren Yuanlin, who is retiring pursuant to Regulation 97 of the Company's Constitution.  
*[See Explanatory Note (a)]* **(Resolution 4)**
5. To re-elect Mr Chew Sutat, who is retiring pursuant to Regulation 97 of the Company's Constitution.  
*[See Explanatory Note (b)]* **(Resolution 5)**
6. To re-elect Mr Yee Kee Shian, Leon, who is retiring pursuant to Regulation 97 of the Company's Constitution.  
*[See Explanatory Note (c)]* **(Resolution 6)**
7. To re-elect Mr Chua Kim Leng, who is retiring pursuant to Regulation 97 of the Company's Constitution.  
*[See Explanatory Note (d)]* **(Resolution 7)**
8. To re-elect Mr Toe Teow Heng, who is retiring pursuant to Regulation 97 of the Company's Constitution.  
*[See Explanatory Note (e)]* **(Resolution 8)**
9. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:

#### 10. AUTHORITY TO ALLOT AND ISSUE SHARES

THAT:

- (a) pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:
  - (i) issue ordinary shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

## NOTICE OF FIRST ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements, or options (each an “**Instrument**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into Shares; and/or at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (b) issue Shares in pursuance of any Instruments made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),
- provided that:
- (1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares shall be based on the issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time such authority was conferred, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities or the exercising of share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and
- (b) any subsequent consolidation or subdivision of the Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.  
*[See Explanatory Note (f)]*

**(Resolution 10)**

## NOTICE OF FIRST ANNUAL GENERAL MEETING

### 11. RENEWAL OF SHARE PURCHASE MANDATE

THAT:

- (a) for the purposes of the Companies Act 1967 of Singapore (the “**Act**”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (the “Shares”) not exceeding in aggregate the Prescribed Limit (as hereafter defined) during the Relevant Period (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) on-market purchases (“**Market Purchases**”) transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchases (“**Off-Market Purchases**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act, and otherwise in accordance with all other provisions of the Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the “**Share Purchase Mandate**”);
- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
  - (i) the date on which the next Annual General Meeting of the Company is held or required by law or the Constitution to be held;
  - (ii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by the shareholders of the Company in a general meeting.
- (c) in this Resolution:

“**Prescribed Limit**” means that number of Shares representing 10% of the issued ordinary share capital as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered;

## NOTICE OF FIRST ANNUAL GENERAL MEETING

**"Relevant Period"** means the period commencing from the date on which the Annual General Meeting at which this Resolution is passed and expiring on the date the next Annual General Meeting is held or is required by law or the Constitution to be held, whichever is the earlier, after the date of this Resolution; and

**"Maximum Price"** in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme: 120% of the Average Closing Price,

where:

**"Average Closing Price"** means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period; and

**"day of the making of the offer"** means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

*[See Explanatory Note (g)]*

**(Resolution 11)**

- 12. To transact any other business which may be properly transacted at an Annual General Meeting.

By Order of the Board

Lee Wei Hsiung  
Company Secretary  
5 April 2023  
Singapore

## NOTICE OF FIRST ANNUAL GENERAL MEETING

### **Explanatory Notes:**

(a) Detailed information on Mr Ren Yuanlin, who is seeking re-election as a Director of the Company, is under "Board of Directors" section on page 11 and "Disclosure of information on seeking re-election pursuant to Rule 720(6) of the Listing Rules of the SGX-ST" on pages 51 to 54 of the Annual Report 2022. Mr Ren Yuanlin will, upon re-election, remain as an Executive Chairman of the Company.

(b) Detailed information on Mr Chew Sutat, who is seeking re-election as a Director of the Company, is under "Board of Directors" section on page 12 and "Disclosure of information on seeking re-election pursuant to Rule 720(6) of the Listing Rules of the SGX-ST" on pages 55 to 58 of the Annual Report 2022.

Mr Chew Sutat will, upon re-election as a Lead Independent Director of the Company, remain as the Member of the Nominating, Remuneration and Audit and Risk Committees and will be considered independent for the purpose of Rule 704(8) of the Listing Manual. There are no relationships (including immediate family relationships) between Mr Chew Sutat and the other Directors, or the Company, or its substantial shareholders.

(c) Detailed information on Mr Yee Kee Shian, Leon, who is seeking re-election as a Director of the Company, is under "Board of Directors" section on page 12 and "Disclosure of information on seeking re-election pursuant to Rule 720(6) of the Listing Rules of the SGX-ST" on pages 59 to 63 of the Annual Report 2022.

Mr Yee Kee Shian, Leon will, upon re-election, remain as the Chairman of the Nominating and Remuneration Committees and Member of the Audit and Risk Committees and will be considered independent for the purpose of Rule 704(8) of the Listing Manual. There are no relationships (including immediate family relationships) between Mr Yee Kee Shian, Leon and the other Directors, or the Company, or its substantial shareholders.

(d) Detailed information on Mr Chua Kim Leng, who is seeking re-election as a Director of the Company, is under "Board of Directors" section on page 12 and "Disclosure of information on seeking re-election pursuant to Rule 720(6) of the Listing Rules of the SGX-ST" on pages 64 to 67 of the Annual Report 2022.

Mr Chua Kim Leng will, upon re-election, remain as the Chairman of the Audit and Risk Committees and Member of the Nominating and Remuneration Committees and will be considered independent for the purpose of Rule 704(8) of the Listing Manual. There are no relationships (including immediate family relationships) between Mr Chua Kim Leng and the other Directors, or the Company, or its substantial shareholders.

(e) Detailed information on Mr Toe Teow Heng, who is seeking re-election as a Director of the Company, is under "Board of Directors" section on page 11 and "Disclosure of information on seeking re-election pursuant to Rule 720(6) of the Listing Rules of the SGX-ST" on pages 68 to 72 of the Annual Report 2022. Mr Toe Teow Heng will, upon re-election, remain as an Executive Director and CEO of the Company.

(f) The proposed ordinary resolution 10, if passed, will empower the Directors of the Company from the date of the above meeting to issue shares in the Company up to an amount not exceeding in total 50% of the total number of issued shares in the capital of the Company with a sub-limit of 20% other than on a pro-rata basis to shareholders for the time being for such purposes as they consider would be in the interest of the Company. The authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

(g) The proposed ordinary resolution 11, if passed, will empower the Directors of the Company from the date of the above meeting until the date of the next annual general meeting of the Company to purchase or acquire up to 10% of the issued ordinary share capital (excluding the shares held in treasury and subsidiary holdings) of the Company as at the date of the passing of this Resolution. Details of the proposed Share Purchase Mandate are set out in the Appendix to the Annual Report 2022 which is available online for information.

(i) As at 23 March 2023 (the "Latest Practicable Date"), the Company has, since the date of incorporation, purchased a total of 276,611,100 shares by way of market purchase at an aggregate consideration of S\$105,271,857.16.

(ii) The amount of financing required for the Company to further purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of the AGM as this will depend on the number of the shares purchased or acquired and the price at which such shares were purchased or acquired.

(iii) The financial effects of the purchase or acquisition of shares by the Company pursuant to the proposed Share Purchase Mandate on the Group's audited financial statements for the financial year ended 31 December 2022 are set out in the Appendix to the Annual Report 2022 and are for illustration only.

### **NOTES:**

- Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, this Annual General Meeting of the Company ("AGM") will be conducted solely by way of electronic means. Accordingly, this Notice of AGM and Proxy Form are made available to members via publication on the SGX website at <https://www.sgx.com/securities/company-announcements> and on the Company's website at [www.yzjfin.com](http://www.yzjfin.com).

**Please note that printed copies of the AGM Documents will NOT be sent to members of the Company.**

Alternative arrangements have been put in place to allow shareholders to participate at the AGM by:

- attending and/or listening to the AGM proceedings via the live audio-visual webcast and live audio-only stream (Live Webcast);
- submitting questions relating to the resolutions to be tabled at the AGM, to the Chairman of the AGM in advance of, or live at, the AGM;
- voting at the AGM (i) live by the Shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on the Shareholder's behalf at the AGM.

## NOTICE OF FIRST ANNUAL GENERAL MEETING

### 2. Pre-registration for the AGM

Shareholders, proxyholders and persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, 1967 of Singapore), including Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors will be able to attend the AGM proceedings through the Live Webcast via their mobile phones, tablets or computers.

All shareholders, CPF and SRS investors, can pre-register themselves or, where applicable, their appointed proxy(ies), for the AGM via the preregistration website at <https://go.lumiengage.com/YZJFH-AGM2023> for verification purposes by 3.00 p.m. on 18 April 2023, being 72 hours before the time fixed for the AGM.

Following the verification, authenticated shareholders, including CPF and SRS investors, or, where applicable, their duly appointed proxy(ies) who have (or have been) pre-registered will be provided with a confirmation email for the AGM containing details as well as instructions on attending the AGM (the "Confirmation Email"), via the e-mail address provided during pre-registration.

Shareholders, including CPF and SRS investors, or, where applicable, their appointed proxy(ies) who have (or have been) pre-registered by 3.00 p.m. on 18 April 2023 deadline but have not received the Confirmation Email by 23.59 p.m. on 20 April 2023 should immediately contact [public@yzjfin.com](mailto:public@yzjfin.com).

### 3. Question and answer

Shareholders, proxyholders, CPF and SRS investors attending the AGM via the Live Webcast will be able to ask the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, by typing in and submitting their questions through the live chat function via the audio-visual webcast platform.

Investors holding shares through relevant intermediaries (other than CPF/SRS investors) should approach their respective relevant intermediaries through which they hold shares as soon as possible in order for the necessary arrangements to be made for them to submit questions in advance of the AGM or ask questions during the AGM via the Live Webcast.

Shareholders, including CPF and SRS investors are also encouraged to submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM in the following manner no later than seven (7) calendar days in advance of the AGM (i.e. by 3.00 p.m. on 14 April 2023):

- (a) By e-mail to [ivyleow@gem-comm.com](mailto:ivyleow@gem-comm.com)/[clarissa@gem-comm.com](mailto:clarissa@gem-comm.com); or
- (b) If submitted by post, to be deposited at the: 1 Temasek Avenue Level 30 Singapore 039192 Millenia Tower.
- (c) Shareholders who submit questions via email or by post to the Company must provide the following information:
  - (i) the Shareholder's full name;
  - (ii) the Shareholder's address; and
  - (iii) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

The Board of Directors of the Company ("Board") will endeavour to address, during the AGM, substantial and relevant questions (as determined by the Board in its sole opinion) submitted by Participating Members. However, there may not be sufficient time to address all such questions.

### 4. The form of an instrument appointing a proxy ("Proxy Form"), which may be used to vote at the AGM, is released together with this Notice of AGM.

### 5. Voting

Live voting will be conducted during the AGM for shareholders and proxyholders attending the AGM via the Live Webcast. It is important for shareholders and proxyholders to have their own web-browser enabled devices ready for voting during the AGM.

Shareholders and proxyholders will be required to log-in via the link in the Confirmation Email and enter the user ID and password to attend and participate in the Live Webcast of the AGM.

- (a) Live voting: Shareholders, including CPF/SRS investors and proxyholders attending the AGM may cast their votes in real time for each resolution to be tabled at the AGM via the Live Webcast. Shareholders and proxyholders will have the opportunity to cast their votes via the Live Voting feature on the live Webcast platform. Shareholders, including CPF/SRS investors and proxyholders must have a web-browser enabled device in order to cast their vote.
- (b) Voting via appointing proxy(ies) or the Chairman of the AGM as proxy: As an alternative to the above, shareholders may also vote at the AGM by appointing proxy(ies) or the Chairman of the AGM as proxy to vote on their behalf. Please refer to paragraph 6 below for information on the submission of Proxy Forms.

A shareholder, who has submitted a Proxy Form, but wishes to attend and participate in the Live Voting during the AGM instead, must inform the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5335 (during office hours) or at [YZJFH-AGM2023@boardroomlimited.com](mailto:YZJFH-AGM2023@boardroomlimited.com) by 3.00 p.m. on 18 April 2023. Alternatively, kindly log-in prior to the commencement of the AGM as proxy revocation is not allowed after proxy form cut-off date/time.

## NOTICE OF FIRST ANNUAL GENERAL MEETING

### 6. Appointment of Proxies

Shareholders who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies and Shareholders who is a relevant intermediary is entitled to appoint more than two proxies wish to vote at the AGM via a proxy(ies) must submit the Proxy Form, which is released together with this Notice of AGM, to appoint the proxy(ies) or the Chairman of the AGM as their proxy to cast votes on their behalf. Shareholders are requested to complete, sign and return the Proxy Form in accordance with the instructions printed thereon not less than seventy-two (72) hours before the time appointed for the AGM (i.e. by 3.00 p.m. on 18 April 2023) ("proxy form cut-off date/time") in the following manner:

- (a) By Post: To be deposited at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898; or
- (b) By e-mail: To be emailed to [public@yzjfin.com](mailto:public@yzjfin.com) (Attn: YZJFH Team); or

A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above.

### 7. Persons who hold shares through relevant intermediaries

- (a) Persons who hold shares through relevant intermediaries (as defined in Section 181(6) of the Companies Act 1967, other than those investors who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor"), and who wish to participate in the AGM by (i) attending and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (ii) submitting questions in advance of, or live at the AGM; and/or (iii) voting at the AGM, (a) live via electronic means by being appointed as proxy by their relevant intermediary; or (b) by appointing the Chairman of the Meeting, as proxy to attend and vote on their behalf at the AGM, should contact the relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.
- (b) CPF Investors or SRS Investors (i) may vote live via electronic at the AGM if they are pre-register via the pre-registration website and appointed as proxies by their respective CPF/SRS Operators, and should contact their respective CPF/SRS Operators if they have any queries regarding their appointment as proxies, or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 3.00 p.m. on 11 April 2023.
- (c) The Proxy Form is not valid for use by CPF Investors or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

### 8. The proxy need not be a member of the Company.

### 9. The Proxy Form shall be under the hand of the member or by his/her attorney duly authorised in writing, or if the member is a corporation, under seal or under the hand of its attorney duly authorised in writing. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), shall be attached to the instrument of proxy.

### 10. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

### 11. In the event if there would be (including new guidance or requirements for the holding or conduct of meetings) to deal with the evolving COVID-19 situation in Singapore, the Company may have to change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNet at <https://www.sgx.com/securities/company-announcements>. Members are advised to check the SGXNet and the Company's website at [www.yzjfin.com](http://www.yzjfin.com) regularly for updates on the AGM.

### **PERSONAL DATA PRIVACY**

Where a member of the Company submits (a) an application to pre-register to participate in the AGM via live webcast, (b) questions relating to the resolutions to be tabled for approval at the AGM, and/or (c) an instrument appointing a proxy to vote at the AGM and/or any adjournment thereof, the member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purposes of (a) processing the member's application to pre-register to participate in the AGM via live webcast and providing the member with any technical assistance where possible, (b) addressing any selected questions submitted by the member and following up with the member where necessary, (c) the processing and administration by the Company (or its agents) of the proxy appointed for the AGM (including any adjournment thereof), and (d) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's action or omission.

## APPENDIX

### THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

#### 1. Introduction

- 1.1 Yangzijiang Financial Holding Ltd. (the “**Company**”) proposes to seek the approval of shareholders of the Company (the “**Shareholders**”) at the First Annual General Meeting of the Company (the “**1<sup>st</sup> AGM**”) to be held on 21 April 2023 at 3.00 p.m. via electronic means for the proposed renewal of the share purchase mandate to authorise the Company’s directors (the “**Directors**”) from time to time to purchase (whether by market purchases and/or off-market purchases in accordance with an equal access scheme) up to 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of proposed ordinary resolution 11 at the 1<sup>st</sup> AGM, at the price of up to but not exceeding the Maximum Price (as defined below), subject to the constitution of the Company (the “**Constitution**”) and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) as set out in the SGX-ST Listing Manual (the “**Listing Manual**”) (the “**Share Purchase Mandate**”).
- 1.2 The Companies Act 1967 of Singapore (the “**Companies Act**”) allows a Singapore incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company’s constitution. Any purchase or acquisition of Shares (as defined in paragraph 2.1 below) by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution for the time being and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on the Mainboard of the SGX-ST, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 11(C) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued shares.
- 1.3 It is a requirement under the Companies Act and the Listing Manual for a company that wishes to purchase or otherwise acquire its own shares to obtain the approval of its shareholders.
- 1.4 The Shareholders had at the extraordinary general meeting of the Company (“**EGM**”) held on 8 June 2022, approved the Share Purchase Mandate (the “**2022 Mandate**”) for the Directors to exercise all the powers of the Company to purchase or acquire up to 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) on the terms of that mandate. Such mandate is to take effect until the conclusion of the forthcoming 1<sup>st</sup> AGM.
- 1.5 If the proposed ordinary resolution 11 under the heading of “**Special Business**” in the Notice of the 1<sup>st</sup> AGM for the renewal of the Share Purchase Mandate is approved at the 1<sup>st</sup> AGM (the “**Share Purchase Mandate Renewal Resolution**”), the mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next annual general meeting (“**AGM**”) of the Company is held or is required by law to be held, whichever is earlier.
- 1.6 The purpose of this appendix (“**this Appendix**”) is to provide information relating to and explain the rationale for the proposed renewal of the Share Purchase Mandate.
- 1.7 Shareholders who are in doubt as to the course of action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers at the earliest opportunity.
- 1.8 Duane Morris & Selvam LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate.

## APPENDIX

### 2. Rationale for the Proposed Renewal of the Share Purchase Mandate

- 2.1 The proposed renewal of the Share Purchase Mandate authorising the Company to purchase or acquire ordinary shares in the issued and paid-up share capital of the Company (the “**Shares**”) will continue to give the Directors the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 3.1 below at any time during the period when the Share Purchase Mandate is in force.
- 2.2 The rationale for the Company to undertake the purchase or acquisition of its issued Shares, as previously stated in its circular to Shareholders dated 24 May 2022, is as follows:
- (a) When circumstances permit, to increase Shareholders’ value by improving, *inter alia*, the Return on Equity (“**ROE**”) of the Company and its subsidiaries (the “**Group**”). A share buy-back made at an appropriate price level is one of the ways through which the ROE of the Group may be enhanced.
  - (b) The Share Purchase Mandate will provide the Company with a mechanism to facilitate the return of surplus cash over and above the Group’s working capital requirements in an expedient and cost-efficient manner.
  - (c) Share buy-backs allow Directors to exercise control over the Company’s share structure and, depending on market conditions, may lead to an enhancement of the earnings per Share and/or net tangible asset per Share.
  - (d) Share purchase programmes help to mitigate short-term share price volatility and offset the effects of share price speculation.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the duration referred to in paragraph 3.2 below, Shareholders should note that the Share Purchase Mandate may not be exercised to the full extent authorised. Purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

### 3. Authority and Limits on the Share Purchase Mandate

The authority and limitations placed on share purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, are similar in terms to those previously approved by Shareholders, and are summarised below:

#### 3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be repurchased by the Company. In accordance with Rule 882 of the Listing Manual, the total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) ascertained as at the date of the 1<sup>st</sup> AGM at which the Share Purchase Mandate Renewal Resolution is passed (the “**Approval Date**”) (unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered).

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**"Relevant Period"** means the period commencing from the Approval Date and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the date the Share Purchase Mandate Renewal Resolution is passed.

As at 23 March 2023 (the "**Latest Practicable Date**"), the Company holds 276,611,100 Shares in treasury and does not have subsidiary holdings.

**For illustrative purposes only**, on the basis of 3,673,978,120 Shares in issue as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), and assuming on or prior to the 1<sup>st</sup> AGM:

- (a) no further Shares are issued and the Company does not reduce its share capital;
- (b) no Shares are held as subsidiary holdings; and
- (c) no further Shares are purchased or acquired by the Company, or held as treasury shares,

not more than 367,397,812 Shares, representing 10% of the total number of Shares (excluding treasury shares and subsidiary holdings) as at that date, may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the Relevant Period.

### 3.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the 1<sup>st</sup> AGM, at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held; or
- (b) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at the next AGM (after the 1<sup>st</sup> AGM) or an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

### 3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

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The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Pursuant to the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Singapore Code on Take-over and Mergers (the "**Take-over Code**") or other applicable take-over rules;
- (e) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchase or acquisition of Shares made by the Company in the previous 12 months (whether through Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

## APPENDIX

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action which occurs during the relevant period of five (5) Market Days and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

“**Market Day**” means a day on which the SGX-ST is open for trading in securities.

### 3.5 Status of Purchased Shares

Under Section 76B of the Companies Act, Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

### 3.6 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act and the Listing Manual are summarised below:

#### 3.6.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. In the event that the Company holds more than 10% of the total number of its issued Shares as treasury shares, the Company shall dispose of or cancel the excess treasury shares in the manner set out under paragraph 3.6.3 of this Appendix below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Accounting and Corporate Regulatory Authority (“**ACRA**”) may allow.

#### 3.6.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

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In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### 3.6.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

### 3.6.4 Reporting obligation under Listing Manual

Under Rule 704(28) of the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares if they are used for a sale, transfer, or cancelled.

## 4. **Reporting Requirements**

Within thirty (30) days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of shares cancelled, the number of Shares held as treasury shares, the Company's total number of issued Shares before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition of Shares, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

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The Company is required under Rule 886 of the Listing Manual to notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its Shares, and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of Shares to the SGX-ST shall be in the form of Appendix 8.3.1 to the Listing Manual and shall comprise such details as the SGX-ST may prescribe, including, *inter alia*, details of the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest prices paid for such Shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the Shares, the number of Shares purchased as at the date of announcement (on a cumulative basis), the number of issued Shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

### 5. Source of Funds

The Company may only apply funds for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits, so long as the Company is solvent. Under the Companies Act, it is an offence for a director or chief executive officer of a company to approve or authorise the purchase or acquisition of shares, knowing that the company is not solvent.

For this purpose, pursuant to the Companies Act, a company is solvent:

- (a) if there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) if the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares.

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### 6. Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The net tangible assets ("NTA") of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be affected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The proposed Share Purchase Mandate will be exercised with a view of enhancing the earnings per share (the "EPS") and/or the NTA value per Share.

**For illustrative purposes only**, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the unaudited financial statements of the Group for the financial period ended 31 December 2022 are based on the assumptions set out below:

- (a) based on 3,673,978,120 Shares in issue as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), and assuming that no further Shares are issued and that the Company does not reduce its share capital, on or prior to the 1<sup>st</sup> AGM, not more than 367,397,812 Shares, representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 1<sup>st</sup> AGM, may be purchased by the Company pursuant to the proposed Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 367,397,812 Shares at the Maximum Price of S\$0.3833 for one (1) Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 367,397,812 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$140,823,581; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 367,397,812 Shares at the Maximum Price of S\$0.4380 for one (1) Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 367,397,812 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$160,920,242.

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**For illustrative purposes** only and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed solely by internal sources of funds; (ii) the Share Purchase Mandate had been effective on 31 December 2022; and (iii) the Company had on 31 December 2022 purchased or acquired 367,397,812 Shares, representing 10% of its total number of issued Shares at the Latest Practicable Date (excluding treasury shares and subsidiary holdings), the financial effects of the purchase or acquisition of 367,397,812 Shares by the Company pursuant to the Share Purchase Mandate:

- (1) by way of purchases made entirely out of capital and held as treasury shares; and
- (2) by way of purchases made entirely out of capital and cancelled,

on the financial statements of the Company and the Group for the financial period ended 31 December 2022 are set out below:

**(1) Purchases made entirely out of capital and held as treasury shares**

**(A) Market Purchases**

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 December 2022</b>				
Issued capital and reserves	3,967,939	3,962,310	3,891,959	3,886,330
Treasury shares	(94,120)	(234,833)	(94,120)	(234,833)
Total shareholders' equity	3,873,819	3,727,477	3,797,839	3,651,497
NTA (excl. non-controlling interests)	3,873,819	3,727,477	3,797,839	3,651,497
Profit after taxation and minority interest	162,002	156,373	87,299	81,670
Net debt	Net Cash	Net Cash	Net Cash	68,803
Number of Shares (excluding treasury shares) ('000)	3,673,978	3,306,580	3,673,978	3,306,580
Treasury shares ('000)	276,611	644,309	276,611	644,309
<b>Financial Ratios</b>				
NTA per share (cents)	105.44	112.73	103.37	110.43
Gross debt gearing (%)	0.38	4.17	0.03	3.88
Net debt gearing (%)	Net Cash	Net Cash	Net Cash	1.88
Current ratio (times)	28.96	12.18	29.28	14.69
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	1,031.56	34.03	–	15.61
<i>Basic EPS (cents)</i>				
(before exceptional items)	4.22	4.51	2.28	2.35
(after exceptional items)	4.22	4.51	2.28	2.35
Return on equity (%)	4.18	4.20	2.30	2.24

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### (B) Off-Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 December 2022</b>				
Issued capital and reserves	3,967,939	3,961,502	3,891,959	3,885,522
Treasury shares	(94,120)	(255,040)	(94,120)	(255,040)
Total shareholders' equity	3,873,819	3,706,462	3,797,839	3,630,482
NTA (excl. non-controlling interests)	3,873,819	3,706,462	3,797,839	3,630,482
Profit after taxation and minority interest	162,002	155,565	87,299	80,862
Net debt	Net Cash	Net Cash	Net Cash	89,010
Number of Shares (excluding treasury shares) ('000)	3,673,978	3,306,580	3,673,978	3,306,580
Treasury shares ('000)	276,611	644,309	276,611	644,309
<b>Financial Ratios</b>				
NTA per share (cents)	105.44	112.09	103.37	109.80
Gross debt gearing (%)	0.38	4.73	0.03	4.46
Net debt gearing (%)	Net Cash	Net Cash	Net Cash	2.45
Current ratio (times)	28.96	11.24	29.28	13.70
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	1,031.56	29.88	–	13.65
<i>Basic EPS (cents)</i>				
(before exceptional items)	4.22	4.48	2.28	2.33
(after exceptional items)	4.22	4.48	2.28	2.33
Return on equity (%)	4.18	4.20	2.30	2.23

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**(2) Purchases made entirely out of capital and cancelled**

**(A) Market Purchases**

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 December 2022</b>				
Issued capital and reserves/Total shareholders' equity	3,873,819	3,727,477	3,797,839	3,651,497
NTA (excl. non-controlling interests)	3,873,819	3,727,477	3,797,839	3,651,497
Profit after taxation and minority interest	162,002	156,373	87,299	81,670
Net debt	Net Cash	Net Cash	Net Cash	68,803
Number of Shares (excluding treasury shares) ('000)	3,673,978	3,306,580	3,673,978	3,306,580
Treasury shares ('000)	276,611	644,309	276,611	644,309
<b>Financial Ratios</b>				
NTA per share (cents)	105.44	112.73	103.37	110.43
Gross debt gearing (%)	0.38	4.17	0.03	3.88
Net debt gearing (%)	Net Cash	Net cash	Net Cash	1.88
Current ratio (times)	28.96	12.18	29.28	14.69
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	1,031.56	34.03	–	15.61
<i>Basic EPS (cents)</i>				
(before exceptional items)	4.22	4.51	2.28	2.35
(after exceptional items)	4.22	4.51	2.28	2.35
Return on equity (%)	4.18	4.20	2.30	2.24

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### (B) Off-Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 December 2022</b>				
Issued capital and reserves/Total shareholders' equity	3,873,819	3,706,462	3,797,839	3,630,482
NTA (excl. non-controlling interests)	3,873,819	3,706,462	3,797,839	3,630,482
Profit after taxation and minority interest	162,002	155,565	87,299	80,862
Net debt	Net Cash	Net Cash	Net Cash	89,010
Number of Shares (excluding treasury shares) ('000)	3,673,978	3,306,580	3,673,978	3,306,580
Treasury shares ('000)	276,611	644,309	276,611	644,309
<b>Financial Ratios</b>				
NTA per share (cents)	105.44	112.09	103.37	109.80
Gross debt gearing (%)	0.38	4.73	0.03	4.46
Net debt gearing (%)	Net Cash	Net Cash	Net Cash	2.45
Current ratio (times)	28.96	11.24	29.28	13.70
Earnings before interest, tax, depreciation and amortisation divided by interest expenses (times)	1,031.56	29.88	–	13.65
<i>Basic EPS (cents)</i>				
(before exceptional items)	4.22	4.48	2.28	2.33
(after exceptional items)	4.22	4.48	2.28	2.33
Return on equity (%)	4.18	4.20	2.30	2.23

**Shareholders should note that the financial effects set out above are purely for illustrative purposes only and are based on the assumptions set out above. Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of its issued Shares (excluding Shares held in treasury and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.**

**Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers at the earliest opportunity.**

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### 7. Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

#### 7.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and person(s) acting in concert with him increases to 30% or more, or, if the Shareholder and person(s) acting in concert with him holds between 30% and 50% of the Company's voting capital, would increase by more than 1% in any six (6) months' period, such Shareholder or group of Shareholders acting in concert would be obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

#### 7.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of such company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert with each other:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any companies whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and

## APPENDIX

- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Takeover Code.

### 7.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (a) the voting rights of such Directors and their concert parties would increase to 30% or more; or
- (b) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares and subsidiary holdings shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the Share Purchase Mandate Renewal Resolution.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council ("SIC") and/or their professional advisers at the earliest opportunity.**

### 8. **Application of Take-over Code**

#### 8.1 Ren Concert Party Group

Mr. Ren Yuanlin is the Executive Chairman and a Director of the Company. Under the Take-over Code, Mr. Ren Yuanlin is presumed to be acting in concert with the companies controlled by him, (Yangzi International Holdings Limited), and the company controlled by his son Mr. Ren Letian (Hengyuan Asset Investment Limited) (collectively, the "**Ren Concert Party Group**").

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The following table sets out the interests of the Ren Concert Party Group in the Shares as at the Latest Practicable Date:

Shareholder		Number of Shares	Total Percentage Interest (%) <sup>(2)</sup>
	Direct Interest	Deemed Interest	
Ren Yuanlin <sup>(1)</sup>	–	852,845,825	23.21
Yangzi International Holdings Limited	852,845,825	–	23.21
Julius Baer Trust Company (Singapore) Limited as trustee of YZJ Settlement <sup>(3)</sup>	852,845,825	–	23.21
Ren Letian <sup>(4)</sup>	–	165,797,370	4.51
Hengyuan Asset Investment Limited	165,797,370	–	4.51

**Notes:**

- (1) Ren Yuanlin is the settlor and sole beneficiary of the YZJ Settlement (the “**YZJ Trust**”), which is revocable by the settlor and established as a “**purpose trust**”. Under the terms of the YZJ Trust, Ren Yuanlin has the powers, as settlor, to direct Julius Baer Trust Company (Singapore) Limited, as trustee, as to the investment in the Shares which form the assets of the YZJ Trust. Such powers include decisions relating to any purchase, sale, exchange, letting or retention and exercising of any voting and other rights in relation to the Shares. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. Accordingly, Ren Yuanlin is deemed to be interested in the 852,845,825 Shares held by Yangzi International Holdings Limited, by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore (“**SFA**”).
- (2) Based on 3,673,978,120 Shares in issue as at the Latest Practicable Date, excluding subsidiary holdings and 276,611,100 treasury shares as at the Latest Practicable Date.
- (3) Julius Baer Trust Company (Singapore) Limited is the trustee of the YZJ Trust. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. By virtue of Section 4 of the SFA, Julius Baer Trust Company (Singapore) Limited is deemed to have an interest in the 852,845,825 Shares held by Yangzi International Holdings Limited.
- (4) Ren Letian is deemed to be interested in 165,797,370 Shares which are held by Hengyuan Asset Investment Limited (“**Hengyuan**”) through his interests in Hengyuan by virtue of Section 4 of the SFA.

As at the Latest Practicable Date, the members of the Ren Concert Party Group collectively hold 1,018,643,195 Shares, which is equivalent to approximately 27.72% of the total issued share capital of the Company.

### 8.2 Consequences of Share Purchases

Based on 3,673,978,120 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate by the Company would result in the purchase of 367,397,812 Shares. If the exercise in full of the Share Purchase Mandate by the Company causes the Ren Concert Party Group’s aggregate interest in the issued Shares to increase to 30% or more, the Ren Concert Party Group would incur an obligation to make a mandatory offer under Rule 14 of the Take-over Code.

Based on the respective shareholdings of the members of the Ren Concert Party Group as at the Latest Practicable Date, and assuming that:-

- (A) there is no change in their interest in Shares between the Latest Practicable Date and the date of the resolution to be passed in relation to the Share Purchase Mandate (being the date of the AGM); and
- (B) no new shares are issued by the Company and the Company does not reduce its share capital between the Latest Practicable Date and the date of the resolution to be passed in relation to the Share Purchase Mandate (being the date of the AGM),

## APPENDIX

the aggregate holdings of Shares of the Ren Concert Party Group as at the date of the resolution to be passed in relation to the Share Purchase Mandate (being the date of the AGM) and after the purchase or acquisition by the Company of 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Purchase Mandate will increase from 27.72% to 30.80%, thereby resulting in the Ren Concert Party Group incurring an obligation to make a general offer under Rule 14 of the Take-over Code.

An illustration of this increase in voting rights held by each member of the Ren Concert Party Group is shown below:

<b>Name</b>	<b>Before Share Purchase (As at the Latest Practicable Date)</b>				<b>After the Share Purchase</b>			
	<b>Direct Interest</b>	<b>%</b>	<b>Deemed Interest</b>	<b>%</b>	<b>Direct Interest</b>	<b>%</b>	<b>Deemed Interest</b>	<b>%</b>
Ren Yuanlin	–	–	852,845,825	23.21	–	–	852,845,825	25.79
Yangzi International Holdings Limited	852,845,825	23.21	–	–	852,845,825	25.79	–	–
Ren Letian	–	–	165,797,370	4.51	–	–	165,797,370	5.01
Hengyuan Asset Investment Limited	165,797,370	4.51	–	–	165,797,370	5.01	–	–

### 8.3 Dispensation from Rule 14

Pursuant to Appendix 2 of the Take-over Code, the members of the Ren Concert Party Group will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code as a result of any Share Purchase carried out by the Company pursuant to the Share Purchase Mandate, subject to the following conditions:-

- (a) this Appendix contains advice to the effect that by voting for the Share Purchase Mandate, Shareholders are waiving their right to a general offer at the required price from each Ren Concert Party Group, who as a result of the Company buying back its Shares, would increase their voting rights to 30% or more, and the names of each member of the Ren Concert Party Group, their voting rights at the time of the resolution relating to the Share Purchase Mandate (which is the date of the AGM) and after the purchase or acquisition of Shares by the Company under the Share Purchase Mandate are disclosed in this Appendix;
- (b) the resolution to authorise a share buyback is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buyback;
- (c) each member of the Ren Concert Party Group abstains from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the Share Purchase Mandate; Please see paragraph 15 below regarding the abstention from voting by the members of the Ren Concert Party Group;
- (d) within seven (7) days after the passing of the resolution to authorise a buyback, each of the directors submits to the Council a duly signed form as prescribed by the SIC; and

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- (e) the Ren Concert Party Group has not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Purchase Mandate is imminent and the earlier of (“**Relevant Period**”):-
- (i) the date on which the authority of the Share Purchase Mandate expires; and
  - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those purchased or acquired by the Company under the Share Purchase Mandate, would cause their aggregate voting rights to increase to 30% or more.

As such, if the aggregate voting rights held by the Ren Concert Party Group increases to more than 30% solely as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, and none of them has acquired any Shares during the Relevant Period, then the Ren Concert Party Group would be eligible for the exemption from the requirement to make a general offer under Rule 14 of the Takeover Code, or where such exemption had been granted, would continue to enjoy the exemption.

**Shareholders are advised that by voting in favour of the ordinary resolution relating to the renewal of the Share Purchase Mandate, they will be waiving their rights to a take-over offer at the required price from the Ren Concert Party Group who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, would increase their aggregate interest in the Shares to 30% or more.**

Save as disclosed in this Appendix, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

### 9. Listing Rules

While the Listing Manual does not expressly prohibit purchase or acquisition of shares by a listed company during any particular time or times, the listed company would be considered an “**insider**” in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of consideration and/or a decision of the Board of Directors until such time as the price-sensitive information has been publicly announced. In particular, in line with the Principles of Best Practice for Handling of Confidential Information and Dealings in Securities issued by SGX-ST in December 2017 and in order to comply with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) two (2) weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one (1) month before the announcements of the Company’s full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise); and
- (b) one (1) month before the announcement of the Company’s half year and full year financial statements (if the Company does not announce its quarterly financial statements), as the case may be, and ending on the date of announcement of the relevant results.

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The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares (excluding Shares held in treasury and subsidiary holdings) are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the Directors, chief executive officer, substantial shareholders (as defined in the Securities and Futures Act 2001 of Singapore) (the “**Substantial Shareholders**”) or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 2,417,924,095 Shares, representing approximately 65.81% of the issued Shares (excluding Shares held in treasury and subsidiary holdings), are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to approximately 2,050,526,823 Shares, representing approximately 62.01% of the total number of issued Shares (excluding Shares held in treasury and subsidiary holdings). Accordingly, the Company is of the view that there is a sufficient number of issued Shares (excluding Shares held in treasury and subsidiary holdings) held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

### **10. Shares Purchased During The Previous 12 Months**

The details of the share purchases made by the Company in the previous 12 months prior to the Latest Practicable Date are as follows:–

- (a) the total number of Shares purchased was 276,611,100. All such Shares were acquired by way of Market Purchases;
- (b) the highest and lowest price paid for such Shares purchases were S\$0.51 and S\$0.33 respectively; and
- (c) the total consideration paid by the Company for such Share purchases was S\$105,271,857.16.

### **11. Directors’ and Substantial Shareholders’ Interests**

#### **11.1 Directors’ Interests**

The interests of the Directors in the Shares as recorded in the Register of Directors’ Shareholdings as at the Latest Practicable Date are set out below:

<b>Director</b>	<b>Number of Shares</b>	
	<b>Direct Interest</b>	<b>Deemed Interest</b>
Ren Yuanlin <sup>(1)</sup>	–	852,845,825
Toe Toew Heng <sup>(2)</sup>	600,000	7,386,200
Chew Sutat	888,000	–
Chua Kim Leng	200,000	–
Yee Kee Shian, Leon	–	–

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### 11.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Number of Shares		Total Percentage Interest (%) <sup>(3)</sup>
	Direct Interest	Deemed Interest	
Ren Yuanlin <sup>(1)</sup>	–	852,845,825	23.21
Yangzi International Holdings Limited	852,845,825	–	23.21
Julius Baer Trust Company (Singapore) Limited as trustee of YZJ Settlement <sup>(4)</sup>	–	852,845,825	23.21
Sapphire Skye Limited (as nominee of Zedra Trust Company (Singapore) Limited) <sup>(5)</sup>	–	394,134,000	10.73
Lido Point Investments Ltd	394,134,000	–	10.73

#### Notes:

- (1) Ren Yuanlin is the settlor and sole beneficiary of the YZJ Trust, which is revocable by the settlor and established as a “**purpose trust**”. Under the terms of the YZJ Trust, Ren Yuanlin has the powers, as settlor, to direct Julius Baer Trust Company (Singapore) Limited, as trustee, as to the investment in the Shares which form the assets of the YZJ Trust. Such powers include decisions relating to any purchase, sale, exchange, letting or retention and exercising of any voting and other rights in relation to the Shares. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. Accordingly, Ren Yuanlin is deemed to be interested in the 852,845,825 Shares held by Yangzi International Holdings Limited, by virtue of Section 4 of the SFA.
- (2) By virtue of Section 4 of the SFA, Toe Teow Heng is deemed to be interested in 7,386,200 Shares through his 29.90% interest in ICH Group Ltd which holds the Shares through its wholly owned subsidiaries.
- (3) Based on 3,673,978,120 Shares in issue as at the Latest Practicable Date, excluding subsidiary holdings and 276,611,100 treasury shares as at the Latest Practicable Date.
- (4) Julius Baer Trust Company (Singapore) Limited is the trustee of the YZJ Trust. Julius Baer Trust Company (Singapore) Limited wholly owns Yangzi International Holdings Limited, which holds 852,845,825 Shares as assets of the YZJ Trust. By virtue of Section 4 of the SFA, Julius Baer Trust Company (Singapore) Limited is deemed to have an interest in the 852,845,825 Shares held by Yangzi International Holdings Limited.
- (5) Sapphire Skye Limited is wholly-owned by Zedra Trust Company (Singapore) Limited which is the trustee of an employee benefit trust set up for the purpose of rewarding employees of the YSL and its subsidiaries (“**Lido Trust**”). Under the terms of Lido Trust, Zedra Trust Company (Singapore) Limited manages 394,134,000 Shares held by Lido Point Investments Ltd. By virtue of Section 4 of the SFA, Sapphire Skye Limited (as nominee of Zedra Trust Company (Singapore) Limited) is deemed interested in the 394,134,000 Shares held by Lido Point Investments Ltd.

### 12. Directors' Recommendations

Save for Mr. Ren Yuanlin who is required to abstain from recommending Shareholders to vote in favour of the proposed renewal of the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interest of the Company. Accordingly, save for Mr. Ren Yuanlin, the Directors recommend that Shareholders vote in favour of the Share Purchase Mandate Renewal Resolution as set out in the Notice of the 1<sup>st</sup> AGM.

### 13. Annual General Meeting

The 1<sup>st</sup> AGM, notice of which is set out on pages 152 to 158 of the Notice of 1<sup>st</sup> AGM attached to the Annual Report 2022 of the Company, will be held on 21 April 2023 at 3.00 p.m. via electronic means for the purpose of, *inter alia*, considering and, if thought fit, passing the Share Purchase Mandate Renewal Resolution as set out in the Notice of the 1<sup>st</sup> AGM.

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### **14. Action To Be Taken By Shareholders**

Shareholders' approval for the proposed renewal of the Share Purchase Mandate is sought at the AGM. The resolution relating to the proposed renewal of the Share Purchase Mandate is contained in the Notice of AGM as ordinary resolution 11.

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on its behalf, that Shareholder should complete, sign and return the Proxy Form attached to the Annual Report in accordance with the instructions printed thereon.

The completion and lodgement of a Proxy Form by a Shareholder does not preclude that Shareholder from attending and voting in person at the AGM if it so wishes.

### **15. Abstention from Voting**

Each member of the Ren Concert Party Group who is a Shareholder shall abstain from voting on the resolution in relation to the proposed renewal of the Share Purchase Mandate at the AGM. Mr Ren Letian, Mr Ren Yuanlin and the parties acting in concert with them will not accept appointment as proxies for shareholders to vote on the resolution relating to the proposed renewal of the Share Purchase Mandate, unless specific instructions have been given in the proxy forms on how the votes are to be cast in respect of such resolution.

### **16. Directors' Responsibility Statement**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

### **17. SGX-ST's Disclaimer**

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinion expressed in this Appendix.

### **18. Documents Available for Inspection**

The following documents may be inspected at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours from the date hereof up to and including the date of the 1<sup>st</sup> AGM:

- (a) the Constitution; and
- (b) the unaudited consolidated financial statements of the Group for the financial period ended 31 December 2022.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**YANGZIJIANG FINANCIAL HOLDING LTD.**

Ren Yuanlin  
Executive Chairman

## Proxy Form

### YANGZIJIANG FINANCIAL HOLDING LTD. (Incorporated in the Republic of Singapore) (Company Registration No.: 202143180K)

#### IMPORTANT:

1. The Annual General Meeting ("AGM") is being conducted solely via a live audio-video webcast and a live audio-only stream pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Accordingly, this Proxy Form is made available to members on SGXNet at <https://www.sgx.com/securities/company-announcements> and on the Company's website at [www.yzjin.com](http://www.yzjin.com). For convenience, the Annual Report 2022 and the Notice of Annual General Meeting are made available on these two websites together with this Proxy Form.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-video webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 5 April 2023.
3. This Proxy Form is not valid for use by CPF investors and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors (i) may vote live via electronic at the AGM if they are pre-register via the pre-registration website and appointed as proxies by their respective CPF/SRS Operators, and should contact their respective CPF/SRS Operators if they have any queries regarding their appointment as proxies, or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators by 3.00 p.m. on 11 April 2023 to submit their votes.
4. Please read the important notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend and vote on his/her/its behalf at the AGM.

I/We \_\_\_\_\_ (name) \_\_\_\_\_ (NRIC/Passport No.)

of \_\_\_\_\_ (address)  
being a member/members of Yangzijiang Financial Holding Ltd. (the "Company"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address^		

\* and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address^		

^ Appointed proxy(ies) will have to pre-register at the Pre-registration Website which is accessible from the URL: <https://go.lumiengage.com/YZJFH-AGM2023> in order to access the Live Webcast or Live Audio Feed of the Annual General Meeting proceedings.

or the Chairman of the Meeting, as \*my/our proxy to attend and to vote for \*me/us on \*my/our behalf at the Annual General Meeting ("AGM") of the Company to be held by electronic means on Friday, **21 April 2023** at **3.00 p.m.** and at any adjournment thereof.

\*I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	For**	Against**	Abstain**
<b>ORDINARY BUSINESS</b>				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' Statements and Auditors' Report thereon.			
2.	To declare a tax exempt (one-tier) final dividend of S\$0.018 per ordinary shares in respect of the financial year ended 31 December 2022.			
3.	To approve the payment of Directors' fees of S\$256,500 for the financial year ended 31 December 2022.			
4.	To re-elect Mr Ren Yuanlin as Director.			
5.	To re-elect Mr Chew Sutat as Director.			
6.	To re-elect Mr Yee Kee Shian, Leon as Director.			
7.	To re-elect Mr Chua Kim Leng as Director.			
8.	To re-elect Mr Toe Teow Heng as Director.			
9.	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.			
<b>SPECIAL BUSINESS</b>				
10.	To authorise Directors to allot and issue shares.			
11.	To renew the Share Purchase Mandate.			

\* Please delete accordingly

\*\* Compulsory for registration purposes. Only provided email address in the submitted Proxy Form will receive Confirmation Email for the Virtual Meeting.

Voting will be conducted by poll. If you wish your proxy/proxies to exercise all your votes for or against or abstain from voting in respect of all your Shares the above Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish your proxy/proxies to exercise some and not all of your votes for or against and/or abstain from voting for the Resolution and/or if you wish your proxy/proxies to abstain from voting in respect of the Resolution, please indicate the number of votes "For", the number "Against" and/or the number "Abstaining" in the boxes provided for the Resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total Number of Shares Held in:	
(a) Depository Register	
(b) Register of Members	

Signature of Shareholder(s) or  
Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

## **IMPORTANT NOTES**

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her behalf, save that no such limit shall be imposed on the number of proxies appointed by members which are nominee companies. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
3. A member who is a Relevant Intermediary\* is entitled to appoint more than two proxies to attend and vote at the meeting. He/her shall specify the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy.

\*Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity; or
  - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased on behalf of CPF investors.
4. This instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
  5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarial certified copy thereof, must submitted via one of the following means: (a) mail to the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 not later than 3.00 p.m. on 18 April 2023, or (b) email to [public@yzjfin.com](mailto:public@yzjfin.com) (Attn: YZJFH Team), not later than 3.00 p.m. on 18 April 2023. Considering the current safe management measures amid evolving COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.
  6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
  7. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents). In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
  8. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

AFFIX  
POSTAGE  
STAMP

The Company Secretary  
**Yangzijiang Financial Holding Ltd.**  
80 Robinson Road  
#02-00  
Singapore 068898



YANGZIJIANG FINANCIAL  
HOLDING LTD.