

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang Financial Aims to Boost Offshore Investments And Fee Income In Next Five Years to Optimize Returns

- On track to achieve a long-term target of allocating 50% of AUM for deployment to offshore investments; has about \$\$480 million worth of assets in Singapore as at 30
 June 2022
- Decrease in 1H2022 total income mainly due to fair value changes on equity financial assets following weakness in financial markets; interest income eased slightly on portfolio reshuffling
- Net asset value per share of \$\$1.07 as of 30 June 2022

SINGAPORE – 11 August 2022 – Yangzijiang Financial Holding Ltd. (the "Company", together with its subsidiaries, the "Group"), a Singapore-incorporated financial company providing investment management, wealth management and fund management services, plans to gradually raise its offshore investments over the next five years to diversify its portfolio across asset classes and geographies to optimize risk-adjusted returns.

Strategic Overseas Diversification

Following the Group's successful spin-off from one of the world's largest shipbuilding enterprises, Yangzijiang Shipbuilding (Holdings) Ltd, in April 2022, the Group has S\$4.6 billion of assets under management (AUM) as of 30 June 2022. Prior to the restructuring, most of the Group's investments have been predominantly focused on debt, consisting primarily of short-term entrusted loans in China.

As the Group moves towards its vision of becoming Asia's leading investment manager, it intends to allocate 50% of its AUM to Singapore for deployment to offshore investments. As at 30 June 2022, the Group has about \$\$480 million worth of assets in Singapore waiting to be deployed to offshore investments. Its target portfolio will extend into four key asset classes



(i) Fund Investments, (ii) Private Equity, (iii) Private Debt/Mezzanine Financing and (iv)
 Maritime Fund.

1H2022 Highlights

As the Group continues to reshuffle its portfolio, the Group also unveiled its unaudited financial results for the six months ended 30 June 2022 ("1H2022").

S\$ million (except for per share items)	1H2022	1H2021	y-o-y change
Total Income	173.8	239.2	-27.3%
Interest Income	184.9	190.6	-3.0%
Non-Interest Income	(11.1)*	48.5	N.M.^
Profit before allowances	158.2	225.9	-29.9%
Profit after allowances	170.2	260.0	-34.5%
Net profit to equity holders of the company	136.4	196.5	-30.6%
Basic and Diluted EPS in cents	3.45	4.97	-30.6%

^{*}Decline in non-interest income in 1H2022 vs a year ago is mainly due to change in fair value of the Group's investments in financial assets, at fair value through profit or loss. Most of the fair-value loss recorded was due mainly to fair-value movement of listed shares, which are retained by the Yangzijiang Shipbuilding Group after the spin-off. The remaining loss is attributable to overall market losses from listed shares within the PE funds which the Group has invested in.

^N.M. denotes not meaningful

For 1H2022, the Group's reported total income fell by 27.3% from S\$239.2 million a year ago to S\$173.8 million, largely due to changes to fair value on financial assets following weakness in financial markets during the period under review. Overall, the net profit to equity holders of the Company decreased by approximately 30.6% to S\$136.4 million for 1H2022. The net asset value per share of the Company stood at S\$1.07 as of 30 June 2022.

Interest Income

The Group's main income generator, interest income, which mainly comprises interest income earned on debt investments and microfinancing loans, decreased by 3% to \$\$184.9 million, due to lower average debt investments balance in 1H2022. This is mainly due to the Group's investment strategy to gradually diversify into offshore investments while reducing its debt investments in China.

Yangzijiang Financial Holding Ltd.
16 Raffles Quay #41-01B Hong Leong
Building Singapore 048581
(Co. Reg. No. 202143180K)

Non-interest Income

The Group's non-interest income comprises fund management fee income, dividend income

earned on investments in financial assets at fair value through profit or loss, net changes in

fair values of 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.

The Group recorded service income of \$\$0.08 million from fund management service fees

earned by its subsidiary, GEM Asset Management Pte. Ltd., a capital markets services-licensed

fund management company incorporated in Singapore.

Dividend income from its investments was approximately S\$7.6 million for 1H2022,

representing a 48.2% decrease from 1H2021, mainly due to lower dividends declared by its

venture capital investments.

In 1H2022, a loss of S\$19 million was recorded from the net change in fair value of its

investments in financial assets, as compared to a fair value gain of S\$33.5 million for 1H2021.

The decrease was mainly due to overall market losses from listed shares held by the Group.

Of which, S\$13.3 million of the S\$19.0 million loss was attributable to fair-value movement of

listed shares, which are retained with the Yangzijiang Shipbuilding Group after the spin-off.

The remaining S\$5.7 million loss was due to fair value losses from listed shares within the

private equity funds which the Group has invested in. Its portfolio of investments is diversified

across various industries, including petrochemicals, materials, electronic vehicles,

pharmaceuticals, etc.

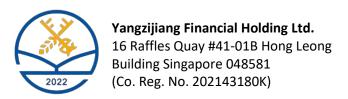
Risk Management

As part of the restructuring exercise, some of the debt investments were retained with the

Yangzijiang Shipbuilding (Holdings) Ltd due to reasons including ongoing litigation

proceedings and loans with debtors that are embroiled in financial difficulties. Coupled with

3



the Group's stringent risk management policy, the Group recorded a non-performing loan ratio of 2.0% as of 30 June 2022 vs non-performing loan ratio of 16.3% as of 31 December 2021. The Group's total portfolio exposure to the China's property sector has also reduced from 21.4% as of 31 December 2021 to 18.3% as of 30 June 2022.

Net Profit

Profit after allowances decreased by 34.5% to \$\$170.2 million. Such allowances relate to the expected credit losses of debt investments (at amortised costs) and loans to non-related parties – microfinance. Consequently, net income decreased by approximately 30.6% year-on-year to \$\$136.4 million for 1H2022.

Business Outlook

In view of the current macro uncertainty, the Group is adopting a more cautious approach in deploying its capital, preferring to diversify across vintages (i.e. deploying capital over a period) to ensure it remains competitive across economic cycles. Nevertheless, the Group remains on track in achieving its long-term target of allocating 50% of its AUM in Singapore for offshore investments.

Mr Ren Yuanlin, Executive Chairman of Yangzijiang Financial Ltd., commented: "Yangzijiang Financial remains focused on long-term value creation. We seek to create a diversified portfolio with a focus on growth opportunities to achieve attractive risk-adjusted returns while providing a steady stream of dividends to shareholders through income generated from our Investment Management and Fund/Wealth Management Businesses."

Mr Vincent Toe, Chief Executive Officer and Chief Investment Officer – (Singapore) of Yangzijiang Financial Ltd., said: "Since the spin-off in April 2022, the Group has grown its Singapore team to more than 20 professionals, including several key investment and risk professionals, as we seek to strengthen our network and investment competence. On asset allocation, more than 10% of the Group's assets are currently in Singapore, ready for

Yangzijiang Financial Holding Ltd.

16 Raffles Quay #41-01B Hong Leong

Building Singapore 048581

(Co. Reg. No. 202143180K)

deployment. We will continue to explore investment opportunities in the Asia-Pacific

emerging markets and global developed markets."

The Group announced in May 2022 that it will set up and manage a new fund, GEM Asia

Growth Fund, with an initial AUM of S\$100 million, of which S\$80 million will be funded by

the Group and the remainder raised from other parties.

Tapping on the Group's competitive advantage and strategic network in the shipping industry,

the Group is also looking to set up a new maritime fund with an initial target fund size of

US\$250 million. The proposed 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.

- End Of Press Release -

Company Profile

Yangzijiang Financial Holding Ltd. is a Singapore-incorporated company whose principal

businesses comprise the following: (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

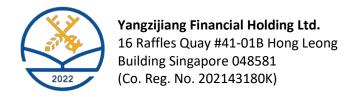
management of third-party investment funds.

For more information, please visit the website at: www.yzjfin.com

Issued for and on behalf of Yangzijiang Financial Holding Ltd.

Investor Relations/Media Contact

5



Emily Choo

Mobile: +65 9734 6565

Email: emily@gem-comm.com

Loke Chunying

Mobile: +65 9222 7687

Email: cy@gem-comm.com