

PROPOSED SALE OF EXISTING TREASURY SHARES

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Yangzijiang Financial Holding Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 28 March 2025 entered into separate share sale and purchase agreements with each of Merlion Quay Capital Ltd. and Operie Capital Ltd. (collectively, the “**Purchasers**”) (“each an “**SPA**”, and collectively, the “**SPAs**”).

Pursuant to the SPAs, the Company shall sell to the Purchasers an aggregate of 193,527,600 ordinary shares in the capital of the Company held by the Company as treasury shares (the “**Sale Shares**”), at a price of S\$0.72 for each Sale Share, representing a discount of approximately 9.7% to the weighted average price of S\$0.7975 for each Share for trades done for the full market day on 28 March 2025 (the “**Proposed Sale**”). The aggregate consideration for the Sale Shares amounts to S\$139,339,872.

2. THE SALE SHARES

As at the date of this Announcement, the Company has 3,673,978,120 ordinary shares in its issued and paid-up share capital (“**Shares**”), of which 193,527,600 Shares are held in treasury. The Sale Shares represent all of the Company’s shares held in treasury, and approximately 5.27% of the total number of issued Shares, and approximately 5.56% of the total number of issued Shares (excluding treasury shares).

Under the terms of the relevant SPAs, the Sale Shares are to be sold free from all encumbrances and together with all rights, benefits and entitlements attaching to them as at the date of completion of the Proposed Sale (“**Completion**”), and thereafter attaching to them.

Completion shall take place on 26 June 2025, being 90 days from the date of signing of the SPAs, or such other date as may be agreed between the Company and the Purchasers.

3. INFORMATION ON THE PURCHASERS

Merlion Quay Capital Ltd. (“**Merlion Quay**”) is a company incorporated in the British Virgin Islands, established by one investor and three senior employees of the Company.

Operie Capital Ltd. (“**Operie**”) is a company incorporated in the British Virgin Islands, established by another investor and three other senior employees of the Company.

This share purchase is a testament of the investors' and senior employees' confidence in the underlying value of the Company and the Company's strategic direction.

Pursuant to the SPAs, Merlion Quay will purchase 96,763,800 Sale Shares, and Operie will purchase 96,763,800 Sale Shares. Following Completion, Merlion Quay will hold approximately 2.63% of the total number of issued Shares (excluding treasury shares) and Operie will hold approximately 2.63% of the total number of issued Shares (excluding treasury shares).

The Company understands that the Purchasers have entered into the SPAs for the purchase of the Sale Shares purely for long-term investment purposes. The Proposed Sale will allow the Purchasers to participate in the equity of the Company and benefit from its potential upside.

The Proposed Sale will not result in a change of controlling interest in the Company. To the best of the knowledge of the Company:

- (a) as at the date of this announcement, none of the Purchasers (or its shareholders) is related to any of the Directors or substantial shareholders of the Company or their respective associates; and
- (b) the Purchasers and their shareholders are not persons specified in Rule 812(1) of the Listing Manual of the SGX-ST.

No placement agent has been appointed and no introducer is involved in relation to the Proposed Sale.

4. RATIONALE FOR THE PROPOSED SALE

The Proposed Sale allows these investors and senior employees to participate in the equity of the Company and its potential upside, thereby aligning their interests with those of the Group and the Company's shareholders.

An alignment of interest promotes greater dedication, loyalty and higher standards of performance amongst the senior employees, and also fosters a culture of ownership and accountability.

Based on the aggregate sale consideration of S\$139,339,872, the Proposed Sale will enable the Company to raise net cash proceeds of approximately S\$139.3 million (after deducting expenses which are insignificant) (the "**Net Proceeds**"). The Net Proceeds is intended to be fully utilised by the Group for investments in the maritime sector, including strategic acquisitions and project financing, which will enhance the competitive positioning of the Group.

Further, as the Sale Shares are Shares held in treasury, they are not income-generating and constrain the Company's capital efficiency. The Proposed Sale allows the Company to monetise these shares at a premium to their historical acquisition cost, thereby unlocking their dormant value.

The Proposed Sale also strengthens the capital base of the Company and increases the Company's public float, which will improve the level of trading liquidity of its Shares. This will in turn enable the Company to further attract institutional investors and stabilise its market performance.

5. USE OF PROCEEDS

Pending deployment, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem appropriate in the interests of the Group.

The Company will make periodic announcements on the use of the Net Proceeds as and when the Net Proceeds are materially disbursed and, whether such use is in accordance with the stated use and in accordance with the percentage allocated (if any). The Company will also provide a status report on the use of the Net Proceeds in the announcements of its interim and full-year financial statements and in the Company's annual reports. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

6. FINANCIAL EFFECTS

The financial effects of the Proposed Sale on the Group as set out below are for illustrative purposes only and do not reflect the actual or projected financial performance or position of the Group following the Completion.

5.1 Share Capital

	Before the Proposed Sale	After the Proposed Sale
Issued share capital (S\$'000)	3,653,262	3,653,262
Number of issued Shares (excluding treasury shares)	3,480,450,520	3,673,978,120
Number of treasury shares	193,527,600	0

5.2 Net tangible asset ("NTA") per Share

The effect of the Proposed Sale on the NTA per Share as set out below is based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("FY2024") and the assumption that the Proposed Sale had been completed on 31 December 2024.

	Before the Proposed Sale	After the Proposed Sale
Consolidated NTA ⁽¹⁾ (S\$'000)	4,221,835	4,361,175
Number of issued Shares (excluding treasury shares)	3,480,450,520	3,673,978,120
NTA per Share (cents)	121.30	118.70

Note:

(1) NTA means total assets less the sum of total liabilities, goodwill and intangible assets.

5.3 Earnings per Share (“EPS”)

The effect of the Proposed Sale on the EPS as set out below is based on the audited consolidated financial statements of the Group for FY2024 and the assumption that the Proposed Sale had been completed on 1 January 2024.

	Before the Proposed Sale	After the Proposed Sale
Earnings attributable to the owners of the Company (S\$'000)	304,629	304,629
Weighted average number of Shares (excluding treasury shares)	3,519,420,361	3,712,947,961
EPS (cents)	8.66	8.20

Note:

EPS is calculated based on profit attributable to owners of the Company and the weighted average number of Shares (excluding treasury shares) for FY2024.

7. GENERAL

The Proposed Sale will not transfer a controlling interest in the Shares of the Company. The Proposed Sale is undertaken by way of private placement pursuant to Section 272B of the Securities and Futures Act 2001. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Sale.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders and their respective associates have any interest, direct, or indirect, in the sale of treasury shares.

9. DOCUMENTS FOR INSPECTION

Copies of the SPAs are available for inspection by the Shareholders at the registered office of the Company at 9 Raffles Place #26-01 Republic Plaza, Singapore 048619 during normal office hours for three (3) months from the date of this announcement.

10. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in trading in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Sale will proceed to Completion. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take. The Company will make further announcements if and when there are any material developments regarding the transactions contemplated herein as and when appropriate.

By Order of the Board
YANGZIJIANG FINANCIAL HOLDING LTD.

Ren Yuanlin
Executive Chairman and Chief Executive Officer

30 March 2025