

PROPOSED SCRIP DIVIDEND SCHEME

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 the Company’s intention to adopt a scrip dividend scheme which will be named Yangzijiang Financial Scrip Dividend Scheme (the “**Proposed Scrip Dividend Scheme**”).

Under the Proposed Scrip Dividend Scheme, if the Board determines that the Proposed Scrip Dividend Scheme will apply to any particular cash dividend (including any interim, final, special or other dividend), persons registered in the Register of Members of the Company (the “**Register of Members**”) or, as the case may be, the Depository Register (as defined in the Securities and Futures Act 2001 (the “**SFA**”) as holders of fully paid ordinary shares (“**Shares**”) of the Company (“**Shareholders**”) may elect to receive fully paid new Shares (“**New Shares**”) in lieu of the cash amount of that dividend which is declared on the Shares held by them, subject to the terms and conditions of the Proposed Scrip Dividend Scheme (the “**Terms and Conditions**”).

A summary of the Terms and Conditions is set out in paragraph 3 below, and further details of the Proposed Scrip Dividend Scheme will be disclosed in due course at the appropriate time.

The implementation of the Proposed Scrip Dividend Scheme is subject to and contingent upon receipt of the requisite approvals mentioned in paragraph 4 below.

The Company will, in compliance with Rule 863 of the Listing Manual of the Singapore Exchange Securities Trading Limited (respectively, the “**Listing Manual**” and the “**SGX-ST**”), announce whether the Proposed Scrip Dividend Scheme is to apply to a particular dividend promptly after the decision is taken, and in any event no later than the market day¹ following the record date for that particular dividend.

2. RATIONALE AND PURPOSE OF THE PROPOSED SCRIP DIVIDEND SCHEME

The Proposed Scrip Dividend Scheme, if and when applied to any particular dividend, will provide eligible Shareholders with the opportunity to elect to receive the dividend in the form of New Shares, credited as fully paid, instead of cash. The Proposed Scrip Dividend Scheme will enable eligible Shareholders to reinvest in the Company and further their participation in the equity capital of the Company by receiving dividends in the form of New Shares (credited as fully paid) without incurring brokerage fees, stamp duty, transaction fees and other related costs.

¹ “**market day**” means a day on which the SGX-ST is open for securities trading.

The Board believes that the Proposed Scrip Dividend Scheme will create long term sustainable value for Shareholders. In addition, the Company will benefit from the implementation of the Proposed Scrip Dividend Scheme to the extent that eligible Shareholders elect to receive dividends in the form of New Shares, as cash that would otherwise have been paid out as dividends may be retained to fund the growth and expansion of the Group. The retention of cash would also help to strengthen the working capital position and enhance the financial flexibility of the Company.

3. SUMMARY OF THE TERMS AND CONDITIONS OF THE PROPOSED SCRIP DIVIDEND SCHEME

3.1. Eligibility

All Shareholders are eligible to participate in the Proposed Scrip Dividend Scheme, subject to the restrictions on Overseas Shareholders², more particularly described below, and except that participation in the Proposed Scrip Dividend Scheme shall not be available to such Shareholders or class of Shareholders, as the Directors may in their absolute discretion determine, and further subject to the requirement that such participation by any Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Company's Constitution ("**Constitution**").

3.2. Overseas Shareholders

The distribution of New Shares under the Proposed Scrip Dividend Scheme may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Shareholders are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without any liability of the Company. It is the responsibility of Overseas Shareholders in such jurisdictions to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.

Overseas Shareholders who are subject to the laws and regulations of jurisdictions outside Singapore shall, by participating in the Proposed Scrip Dividend Scheme, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

For practical reasons and to avoid any violation of the securities laws applicable outside Singapore where Shareholders may have their registered mailing addresses, the Directors may in their absolute discretion decide that Overseas Shareholders shall not be eligible to participate in the Proposed Scrip Dividend Scheme. No Overseas Shareholder shall have any claims whatsoever against the Company, the Company's Share Registrar (as defined below), Central Depository (Pte)

² "**Overseas Shareholders**" means Shareholders with registered mailing addresses outside Singapore as at the record date and who have not provided to the Company or CDP, as the case may be, not later than three (3) market days prior to the record date (or such other period as the Directors may determine in their absolute discretion), mailing addresses in Singapore for the service of notices and documents.

Limited (“CDP”) or any of their respective agents as a result of the Proposed Scrip Dividend Scheme not being offered or made available to such Overseas Shareholder.

Overseas Shareholders who wish to be eligible to participate in the Proposed Scrip Dividend Scheme should provide a mailing address in Singapore for the service of notices and documents no later than five (5) market days prior to the record date (or such other period as the Directors may determine in their absolute discretion). Overseas Shareholders should note that all correspondence and notices will be sent to their last registered mailing addresses in Singapore maintained with the Company or CDP, as the case may be.

Overseas Shareholders should note that where they are requested by the Company, the Company’s share registrar or, as the case may be, CDP, to provide any supporting documents in connection with the provision of a mailing address in Singapore for the service of notices and documents, such Overseas Shareholders will not be treated as having provided a Singapore mailing address for these purposes until such time as the supporting documents have been received by the Company, the Company’s share registrar or, as the case may be, CDP.

3.3. No Known Tax Advantage for Participating in the Proposed Scrip Dividend Scheme

The Company takes no responsibility for the taxation liabilities of participating Shareholders or the tax consequences of any election made by Shareholders. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Shareholders if they are in any doubt or if they otherwise require.

As a general indication, however, it is understood that as at the date of this announcement, under tax legislation in Singapore, a Shareholder’s Singapore tax liability in relation to the dividends received will not be altered, nor is there any tax advantage to be gained by a Shareholder, by reason of such Shareholder having elected to participate in the Proposed Scrip Dividend Scheme.

Where required, the Company will deduct all income tax to be deducted from the qualifying dividend in accordance with applicable law.

3.4. Participating Shareholders may Receive Odd Lots

As the Shares are presently traded in board lots of 100 Shares each, an eligible Shareholder who elects to receive New Shares in lieu of the cash amount of any dividend to which the Proposed Scrip Dividend Scheme applies may receive such New Shares in odd lots.

3.5. Fractional Entitlements

The Directors, in their absolute discretion, shall make such provisions as they deem fit in respect of fractional entitlements to the New Shares, including provisions as to rounding, or whereby fractional entitlements are otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and the Group, subject to the Constitution.

3.6. Obligations under Take-over Code

The attention of Shareholders is drawn to Rule 14 of The Singapore Code on Take-overs and Mergers (the “**Take-over Code**”). In particular, a Shareholder should note that he may be under

an obligation to extend a take-over for the Company. Under Rule 14.1 of the Take-over Code, except with the consent of the Securities Industry Council (“**SIC**”), where:

- (a) any person acquires, whether by a series of transactions over a period of time or otherwise, shares which (together with Shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company, and he or any person acting in concert with him, by participating in the Proposed Scrip Dividend Scheme in relation to any qualifying dividend, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights of the Company,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares (“**Mandatory Offer**”). In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Mr. Ren Yuanlin is the Executive Chairman, Chief Executive Officer and a Director of the Company. Pursuant to Rule 1 of the Take-over Code, Mr. Ren Yuanlin is presumed to be acting in concert with the company 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**”). As at the date of this Announcement, the Ren Concert Party Group is interested in an aggregate of 1,018,643,195 Shares, which is equivalent to approximately 29.27% of the total issued share capital of the Company. The election of a member of the Ren Concert Party Group to receive New Shares in lieu of the cash amount of that dividend which is declared on the Shares held by them may result in the Ren Concert Party Group holding shares carrying 30% or more of the voting rights of the Company. In such event, the Ren Concert Party Group would incur an obligation to make the Mandatory Offer, unless the SIC grants a waiver of obligations of the Ren Concert Party Group to make the Mandatory Offer (“**Whitewash Waiver**”). In connection with the above, Mr. Ren Yuanlin will make an application to the SIC for the Whitewash Waiver and the Company will make the necessary announcements upon receipt of the Whitewash Waiver from the SIC.

In addition to the above, the approval of independent Shareholders at a general meeting of the Company to be convened, waiving their rights to receive a Mandatory Offer from the Ren Concert Party Group in connection with the issuance and allotment of the New Shares to members of the Ren Concert Party Group in relation to a proposed dividend distribution (“**Whitewash Resolution**”) would also need to be obtained by the Company for purposes of the Whitewash Waiver.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any acquisition of New Shares through their participation in the Proposed Scrip Dividend Scheme are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

4. APPROVALS REQUIRED IN CONNECTION WITH THE PROPOSED SCRIP DIVIDEND SCHEME

4.1. Shareholders' Approval for Issuance of New Shares

Pursuant to Rule 862(1) of the Listing Manual, an announcement must be made by an issuer if it wishes to implement a scrip dividend scheme which enables shareholders to elect to receive shares in lieu of the cash amount of any dividend.

While there is no requirement under the Listing Manual for Shareholders' approval for the implementation of the Proposed Scrip Dividend Scheme, the allotment and issuance of New Shares pursuant to the Proposed Scrip Dividend Scheme is subject to the approval of the Shareholders under the Companies Act 1967 of Singapore, the Constitution and the Listing Manual. The authority to issue New Shares under the Proposed Scrip Dividend Scheme may be in the form of specific Shareholders' approval in compliance with Regulation 3(A) of the Constitution and Rule 805 of the Listing Manual, or the Company may otherwise rely on a valid general mandate granted by the Shareholders to the Directors pursuant to Regulation 5(B) of the Constitution and Rule 806 of the Listing Manual. In this regard, the Company intends to seek specific Shareholders' approval for the issuance of New Shares under the Proposed Scrip Dividend Scheme.

4.2. SGX-ST's Approval for Listing and Quotation of New Shares

In compliance with Appendix 8.4.4 of the Listing Manual, an application will be made by the Company for the admission to the Official List of the SGX-ST of the New Shares as may, from time to time, be issued by the Company pursuant to the Proposed Scrip Dividend Scheme, and for the listing and quotation of such New Shares on the Main Board of the SGX-ST.

Any approval of the SGX-ST for listing of such New Shares is not to be taken as an indication of the merits of the Proposed Scrip Dividend Scheme, the Shares, the New Shares, the Company or the Group.

5. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The Proposed Scrip Distribution Scheme is subject to the Company's adoption. As at the date of this Announcement, there is no certainty or assurance that the Whitewash Waiver and Whitewash Resolution will be approved and completed or that no changes will be made to the intended terms of the Proposed Scrip Distribution Scheme set out above. In any event, each of the resolutions approving the issuance of new Shares pursuant to the Proposed Scrip Distribution Scheme and the Whitewash Resolution is inter-conditional and none of the aforementioned resolutions will be passed if approval is not obtained for any one of them.

The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

YANGZIJIANG FINANCIAL HOLDING LTD.

Ren Yuanlin
Executive Chairman and Chief Executive Officer

28 March 2025