



Yangzijiang Financial Holding Ltd.
9 Raffles Place #54-01 Republic Plaza
Singapore 048619
(Co. Reg. No. 202143180K)

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Yangzijiang Financial Holding reports 27.2% YoY Growth in Diluted EPS for 1H2023

- Total income gained 14.2% y-o-y to S\$198.4 million, while net profit rose 19.2% to S\$162.5 million in 1H2023
- NAV per share improved to S\$1.0520 as at 30 June 2023 vs S\$1.0495 as at 31 Dec 2022
- NPL ratio declined to 37% as at 30 June 2023, from 41% as at 31 Dec 2022
- The Group’s strategy of diversifying beyond China will continue to enhance its fundamentals, and generate long-term, sustainable returns

SINGAPORE – 12 August 2023 – Yangzijiang Financial Holding Ltd. (SGX stock code: YF8) (the “**Company**”, together with its subsidiaries, the “**Group**”), a Singapore-incorporated financial company providing investment management, fund management and wealth management services, today announced its financial results for the first six months ended 30 June 2023 (“**1H2023**”).

1H2023 Highlights

S\$ million (except for per share items)	1H2023	1H2022	y-o-y change
Total Income	198.4	173.8	14.2%
<i>Interest Income</i>	<i>151.5</i>	<i>184.9</i>	<i>-18.0%</i>
<i>Non-Interest Income</i>	<i>46.9</i>	<i>(11.1)</i>	<i>n.m.</i>
Profit before allowances	182.6	158.2	15.4%
Profit after allowances	191.1	170.2	12.3%
Net profit to equity holders of the company	162.5	136.4	19.2%
Basic and Diluted EPS in cents	4.39	3.45	27.2%



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Reflecting an encouraging performance amidst a still-challenging economic backdrop, the Group's total income improved, growing 14.2% y-o-y to S\$198.4 million in 1H2023, from S\$173.8 million in the first half of 2022 ("**1H2022**"). This was primarily driven by stronger non-interest income, following a net gain of S\$34.5 million in fair value of financial assets in 1H2023, as compared to a S\$19.0 million fair value loss in 1H2022.

Overall net profit to equity holders of the Company increased by 19.2% to S\$162.5 million in 1H2023 from S\$136.4 million in 1H2022. The Group's diluted earnings per share ("**EPS**") also rose 27.2% y-o-y to SGD4.39 cents in 1H2023 compared to SGD3.45 cents in 1H2022. This was boosted by the earnings growth and the Group's share buyback activity in last 12 months, which led to a 6.2% y-o-y decline in the weighted average number of ordinary shares outstanding to 3.65 billion shares. Similarly, the Group strengthened its balance sheet for the period under review, with net asset value ("**NAV**") per share increasing to S\$1.0520 (RMB5.62) as at 30 June 2023, from S\$1.0495 (RMB5.44) as at 31 December 2022.

Business Outlook

Over the past six months, the Group has made good progress in tackling its non-performing loans ("**NPLs**") in its debt investment portfolio in China, due to effective recovery efforts made in 1H2023. As at 30 June 2023, its NPL ratio stood at 37%, down from 41% as at 31 December 2022, despite the continuing headwinds in the real estate market in China. Moving forward, while the Group is cautiously optimistic about the recovery prospects of its remaining NPLs, it will continue to diligently monitor and pro-actively manage its loan book .

Meanwhile, the Group remains focused on diversifying its assets under management ("**AUM**") and gradually increasing its investments outside China over the next five years. As part of its key diversification strategy, the Group intends to allocate 50% of its funds to investments beyond China over the long term. It has also set a target to deploy approximately S\$1.0 billion of its proprietary capital into investments outside of China by the end of 2023.



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As at 30 June 2023, the Group's ex-China or international investments were valued at S\$574.4 million, accounting for 14.5% of its total investment portfolio as at 30 June 2023, up 7.6% from S\$534 million, or 12.9% of the total portfolio as at 31 December 2022. Most of the assets in Singapore are deployed into yield enhancement cash management products denominated in USD, comprising 74% of the portfolio. The rest of the Singapore portfolio comprises the Group's Yangzijiang Maritime Private Equity Fund #2 ("**Maritime Fund**") with a 14% share, while Strategic Investments and Fund of Funds account for 7% and 5% respectively. Since inception till date, the Maritime Fund generated the highest returns at 17.7%, followed closely by Strategic Investments at 16.1%. Fund of Funds and Cash Management investments returned 13.7% and 5.0%, respectively.

*Mr. Vincent Toe, Chief Executive Officer of Yangzijiang Financial Holding Ltd., said: "**The Group's international portfolio has gotten off to a good start and we are currently generating good returns from our investments. Our diversified set-up for this portfolio, currently spanning across 4 different asset types, aims to reduce portfolio volatility while yet concurrently achieve strong returns for all our stakeholders in the long-run.**"*

The Maritime Fund continues to be a key focus area for the Group. Given the bright prospects, the Maritime fund's target size has since been enlarged from the original US\$500 million to US\$600 million, of which US\$500 million has already been earmarked for investments into eco, modern, efficient, and highly marketable maritime assets. The Maritime Fund has closed a total of 12 deals, committed an amount of US\$173.8 million, and invested US\$109.3 million as at this writing. As at 30 June 2023, the Maritime Fund's portfolio had achieved an internal rate of return ("**IRR**") of 16.4% and return on equity ("**ROE**") of 17.7%.

Looking ahead, the Group will continue to focus on and grow its Maritime Fund assets, tapping on the Group's deep industry knowledge of the shipping industry to boost quality investments, both in and outside of China. Further enhancing the Group's competitive edge is its targeted approach of diversifying investments across various maturities, asset classes



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and geographies. This strategy will ensure the resilience and continual expansion of its asset portfolios, positioning the Group for sustained success over the long term.

Mr Ren Yuanlin, Executive Chairman of Yangzijiang Financial Holding Ltd, commented: ***“Despite a still-challenging macroeconomic backdrop, I’m pleased to be able to unveil a stronger set of results year-over-year for 1H2023. This robust performance can be attributed to the meaningful headway that we’ve made in shrinking our NPLs, as well as the Group’s diversification strategy, which focuses on growing our investments outside of China, including in Singapore. Our Singapore investments have started to contribute positively to the Group’s bottom-line in this financial period and we expect contributions from this segment to continue growing in the foreseeable future.”***

He added: ***“We believe that with challenges, come opportunities. Given our strong financial position in a volatile market, we are ready to capitalise on suitable investment opportunities as and when they arise, both within as well as beyond China.”***

- 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.



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Investor Relations/Media Contact

Emily Choo

Mobile: +65 9734 6565

Email: emily@gem-comm.com

Raymond Chan

Mobile: +65 8499 3193

Email: raymond@gem-comm.com