



Yangzijiang Financial Holding Ltd.
扬子江金融控股有限公司

FY2023 Results Presentation
February 2024



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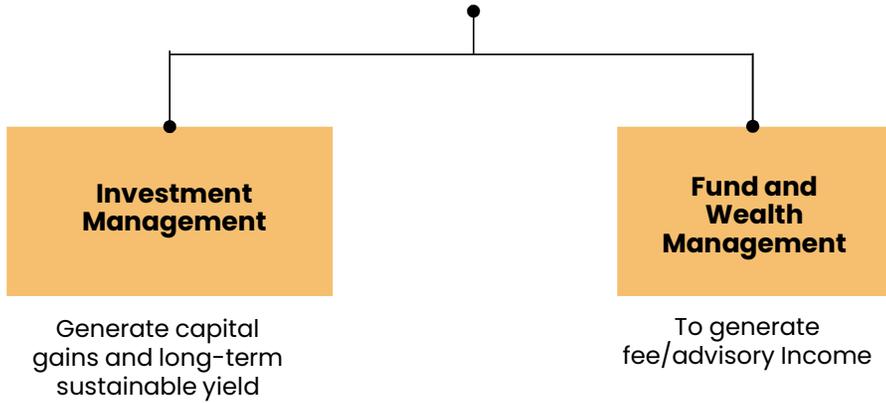
AT A GLANCE

\$S\$4.0b

Asset Under Management
(As of 31 December 2023)



ESTABLISHED INVESTMENT MANAGER



SGX:YF8

Stock Code

\$S\$1.19b

Market Cap
(As of 28 February 2024)

\$S\$3.84b

Net Asset Value
(As of 31 December 2023)

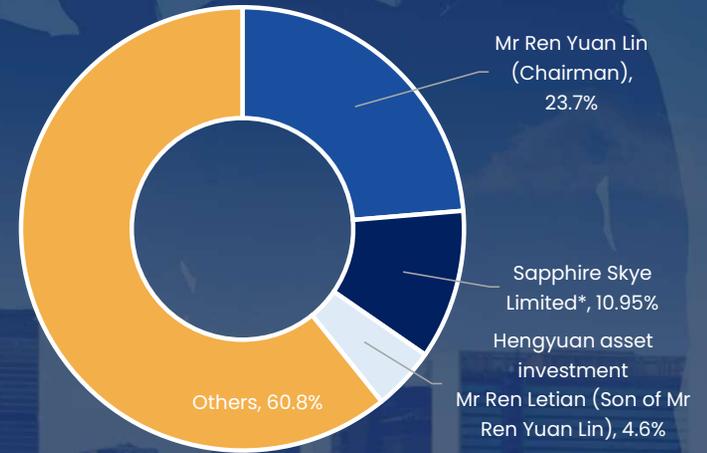
40%

Dividend Payout Ratio
(For FY2023)

\$S\$131.0m

Shares Bought Back
(~9.06% shares repurchased since programme initiation)

Shareholding (As of 31 December 2023)

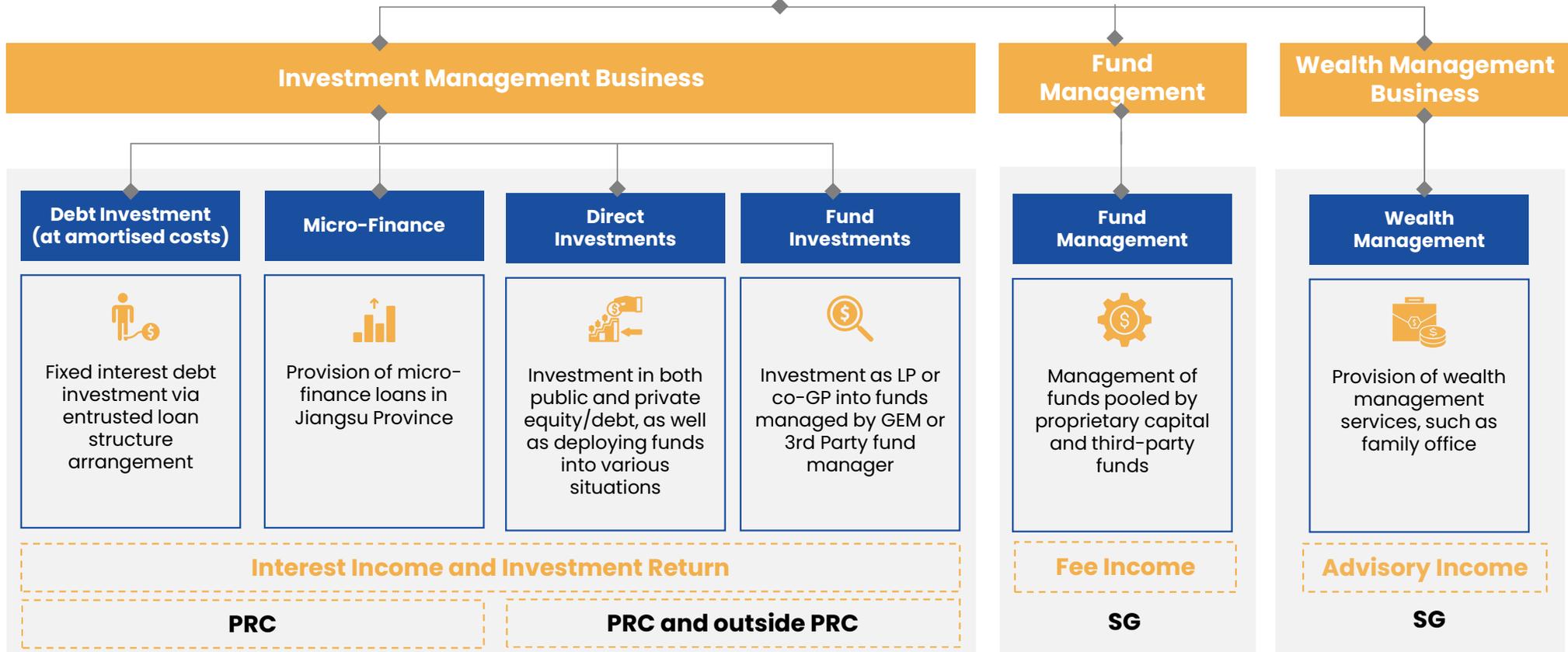


*An employee benefit trust set up for the purpose of rewarding employees of YZJ Group



OVERVIEW OF STRATEGIES

Yangzijiang Financial Holding Ltd.





FY2023 FINANCIAL RESULTS



FY2023 FINANCIAL HIGHLIGHTS

Total income increased due improvement in non-interest income

S\$(million) except for per share item	FY2023	FY2022	y-o-y % change
Total Income	348.4	300.4	16%
Profit before allowances	302.1	271.2	11%
Profit after allowances	270.9	147.4	84%
Net profit to equity holders of the company	201.8	162.0	25%
Basic and Diluted EPS in cents	5.53	4.22	31%

As of 31 December 2023

Net Asset attributable to equity holders = S\$3,836.1 million

Net Asset Value per share = S\$1.066



FY2023 INCOME HIGHLIGHTS

S\$ million	FY2023	FY2022	y-o-y change	Comments
Total Income	348.4	300.4	16%	
Interest Income	287.2	332.8	(14)%	
<i>Debt Investments at amortised cost</i>	263.4	309.6	(15)%	<ul style="list-style-type: none"> • Lower interest income earned from debt investment business Lower average debt investments balance in 2023 vs 2022 Increase in non-performing loans since 2022 resulting from contraction of China's real estate market • Partially offset by higher return from yield enhancement cash management products denominated in USD
<i>Microfinance</i>	3.0	2.6	15%	
<i>Cash and cash equivalents</i>	20.9	20.6	1%	
Non-interest Income	61.2	(32.4)	N.M.	
<i>Income from maritime fund assets</i>	23.4	-	N.M.	• Group's entry into maritime investment activities
<i>Dividend income</i>	12.6	7.7	63%	• Increased dividend income from PE funds invested in China
<i>Interest income from financial assets at fair value through profit or loss</i>	6.2	-	N.M.	• Strategic expansion into the international private credit sector
<i>Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss</i>	17.7	(40.7)	N.M.	• Positive swing to fair value gain for assets attributable to offshore fund investments and PRC listed shares
<i>Other income</i>	1.4	0.7	107%	
Share of results of associated companies, net of tax	(7.4)	6.7	N.M.	• Share of losses increased significantly in 2023 due to higher overall market losses from listed shares within associated companies

*Due to rounding to 1dp



FY2023 BALANCE SHEET HIGHLIGHTS

S\$ million	31 Dec 2023	31 Dec 2022	Comments
Total Assets	4,176.0	4,205.9	The decrease in total assets was primarily attributed to currency translation loss.
Total Assets includes: cash and yield enhancement products	1,610.1	890.4	
cash and yield enhancement products / share (SGD)	0.448	0.241	
Total Liabilities	262.5	332.1	The decrease in total liabilities was due to lower borrowings and tax related liabilities.
Net asset attributable to equity holders	3,836.1	3,873.8	
NAV/share (SGD)	1.066	1.050	
NAV/share (RMB)	5.73	5.44	SGD / RMB at 5.1831, close of 2022 SGD / RMB at 5.3772, close of 2023



31 December 2023 BALANCE SHEET HIGHLIGHTS – MAJOR ACCOUNTS

Assets as of 31 Dec 2023 (\$ million)			
Description	31 Dec 2023	31 Dec 2022	Comments
Cash and cash equivalents	1406.2	620.7	<i>Liquidity remains at a healthy level</i>
Maritime fund assets – Vessels	125.4	-	<i>Comprises of the Group's maritime fund investments</i>
Maritime fund assets – finance lease receivables	106.7	-	
Financial assets at fair value through P&L	433.8	470.0	<i>Comprises of the Group's direct investments</i>
Debt Investments at amortised cost	1,678.9	2,671.9	<i>Translation loss and net repayment</i>
Investments in associated companies	296.0	322.6	<i>Comprises of the Group's venture capital investments</i>



INVESTMENT MANAGEMENT



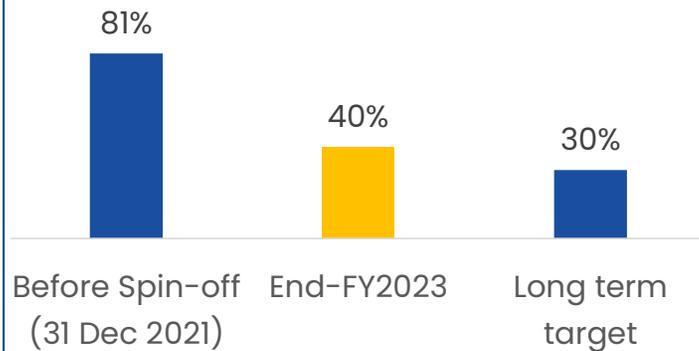
WHERE WE WANT TO BE



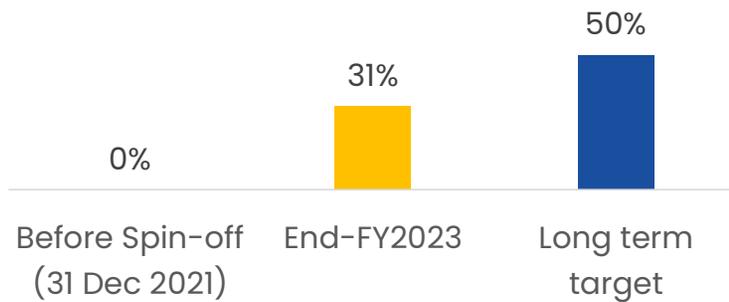
Long Term Target

Grow the Group's AUM and diversify its exposure

Debt Investment In China



Increase Investment out of China



Increase AUM by



Launch of own General Partner (GP) Funds (Target 20-60% of AUM to be raised from third parties)



Expand Fund/Wealth Management Business



Gradually increase its investments outside China over the next five years to 50%.



To deploy approx. S\$1.0 billion of its proprietary capital into investments outside China by 2024



To facilitate capital flow outside China

Allows the deployment of capital to outside of China

	Dividend distribution (main scheme)	Liquidity pool scheme
What is it	The transfer of funds between PRC companies and their Singapore holding company by declaring dividends.	Allows the transfer of funds between PRC companies and their overseas fellow subsidiaries (or vice versa) in the form of loans
Related costs	Withholding dividend tax rate of 5-10%	Inter-company related expenses
Capital remitted (as of 28 Feb 2024)	Net Dividend: RMB 7.7 billion	Net outflow : RMB 0.0 billion



Maximise cash management returns through interest rate differential between Chinese RMB and other currencies, such as USD or SGD

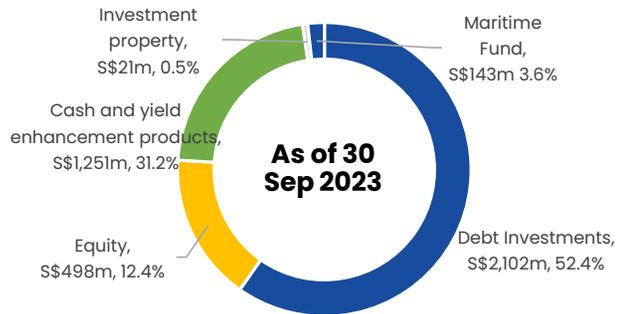
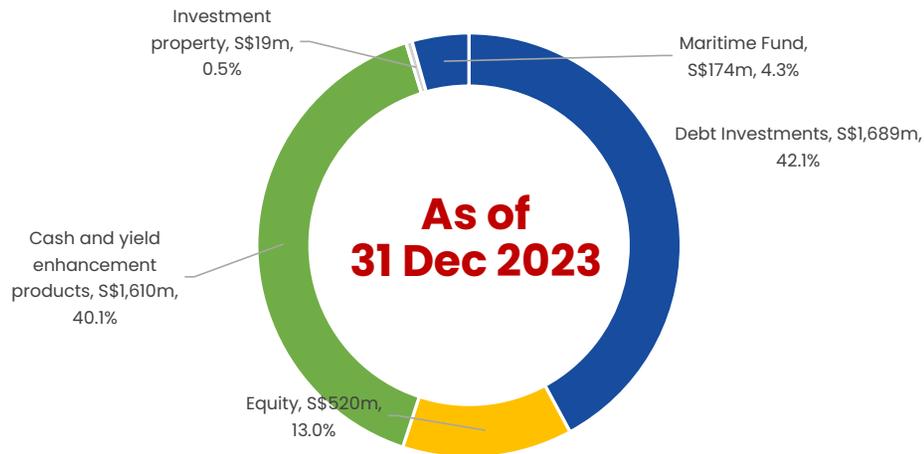


Consolidate and centralise treasury management to aid the efficient utilization of the Group's funds

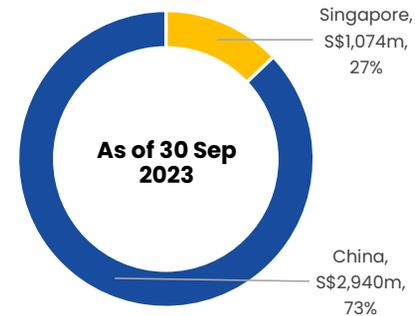


WHERE WE ARE

Portfolio Allocation By Risk Profile And Asset Classes

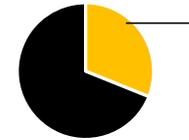


Portfolio Allocation By Geography



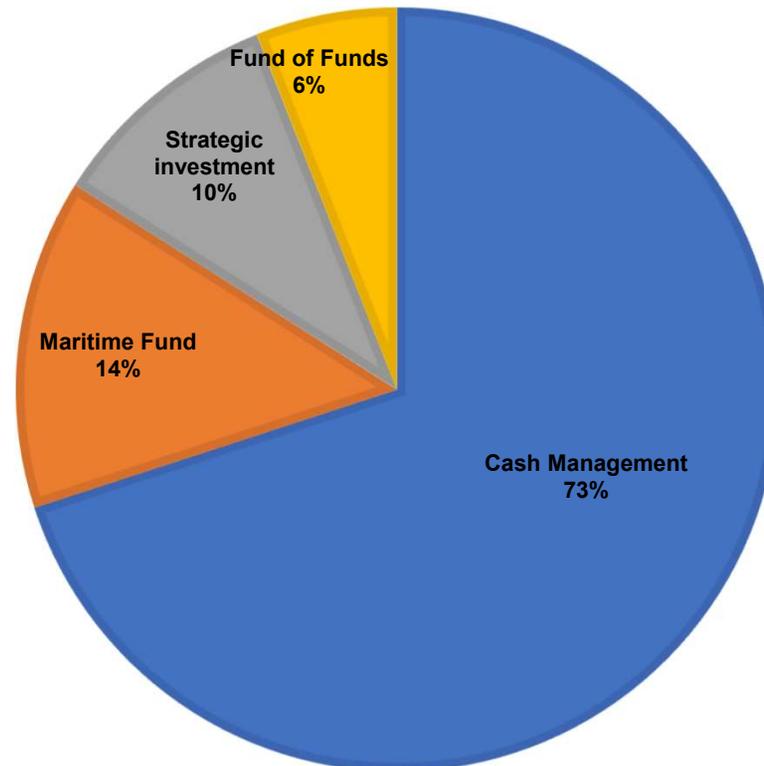


INTERNATIONAL (EX-PRC) PORTFOLIO



31% of Group portfolio

SINGAPORE INVESTMENT PERFORMANCE GAINING TRACTION

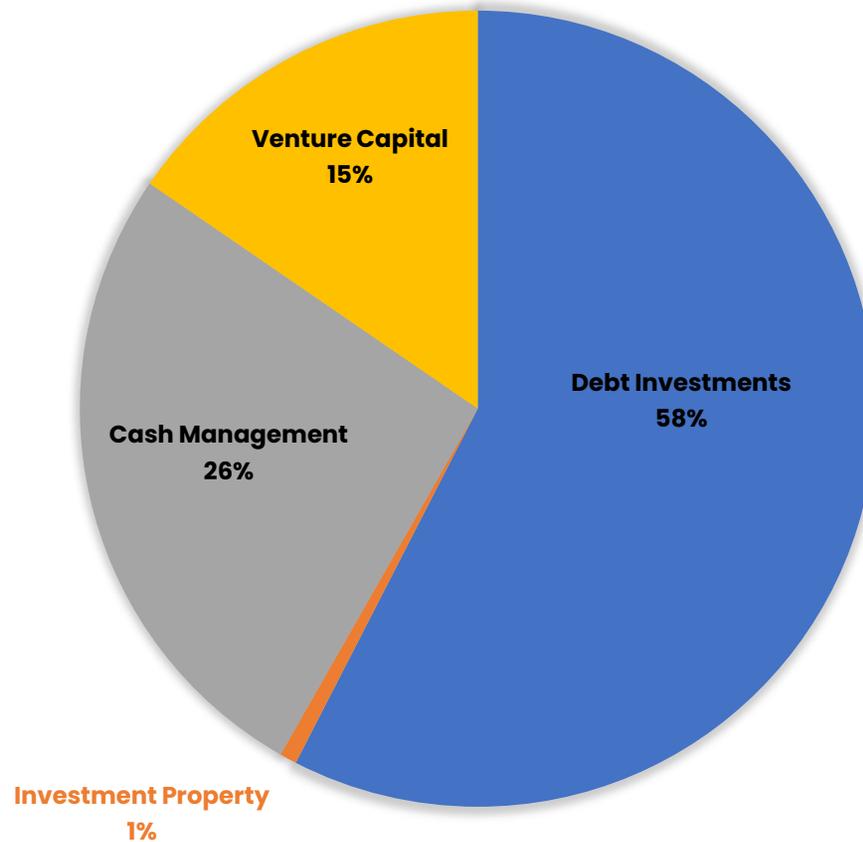




PRC Asset Breakdown (as of 31 Dec 2023)



69% of Group portfolio





PRC DEBT INVESTMENT PORTFOLIO (Excluding Micro-Finance)



40% of Group portfolio

PRC Debt Investment Portfolio (Excludes micro-finance)

S\$ million	Sep 2023
Beginning of financial period, 31 December 2022	2,402
<i>Addition</i>	<i>283</i>
<i>Redemptions</i>	<i>(968)</i>
<i>Impairment of losses recognised in P&L</i>	<i>(34)</i>
End of financial period, 31 December 2023*	1,597

* Net of currency translation difference

Dec 2023 SGD million	Principal	Gross Balance %	Provision	Net Balance*	Net Balance %
Performing	837	45%	(64)	775	49%
Under-performing	219	12%	(53)	167	10%
Non-performing	790	43%	(142)	655	41%
	1,846	100%	(259)	1,597	100%

* Net of currency translation difference



PRC DEBT INVESTMENT PORTFOLIO

(Excluding Micro-Finance)

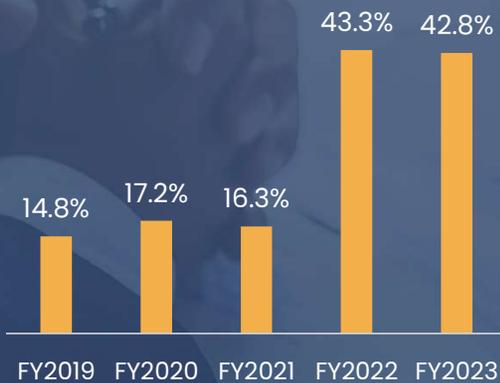


40% of Group portfolio



Non-Performing Loan ratio decreased as compared to end FY2022 due to active recollection efforts of the Group

NPL ratio*



Fully Recovered NPL

Project	Principal SGD'million	Recovered Amount SGD'million
Project A	176.7	176.7
Project B	13.9	13.9
Project C	37.3	25.7
Project D	10.1	9.3

Loans re-classified out of NPL

Project	Principal SGD'million*
Project E	40.9
Project F	84.6

* Outstanding amount as of 31 December 2023

*NPL ratio is calculated based on gross outstanding loan balance before impairment allowance.



PRC DEBT INVESTMENT PORTFOLIO (Excluding Micro-Finance) : NON-PERFORMING LOAN



40% of Group portfolio



Decrease in allowances for credit and other losses due to large debt repayment in the year.

Allowances for/(reversal of allowances for) credit and other losses (\$\$ million)



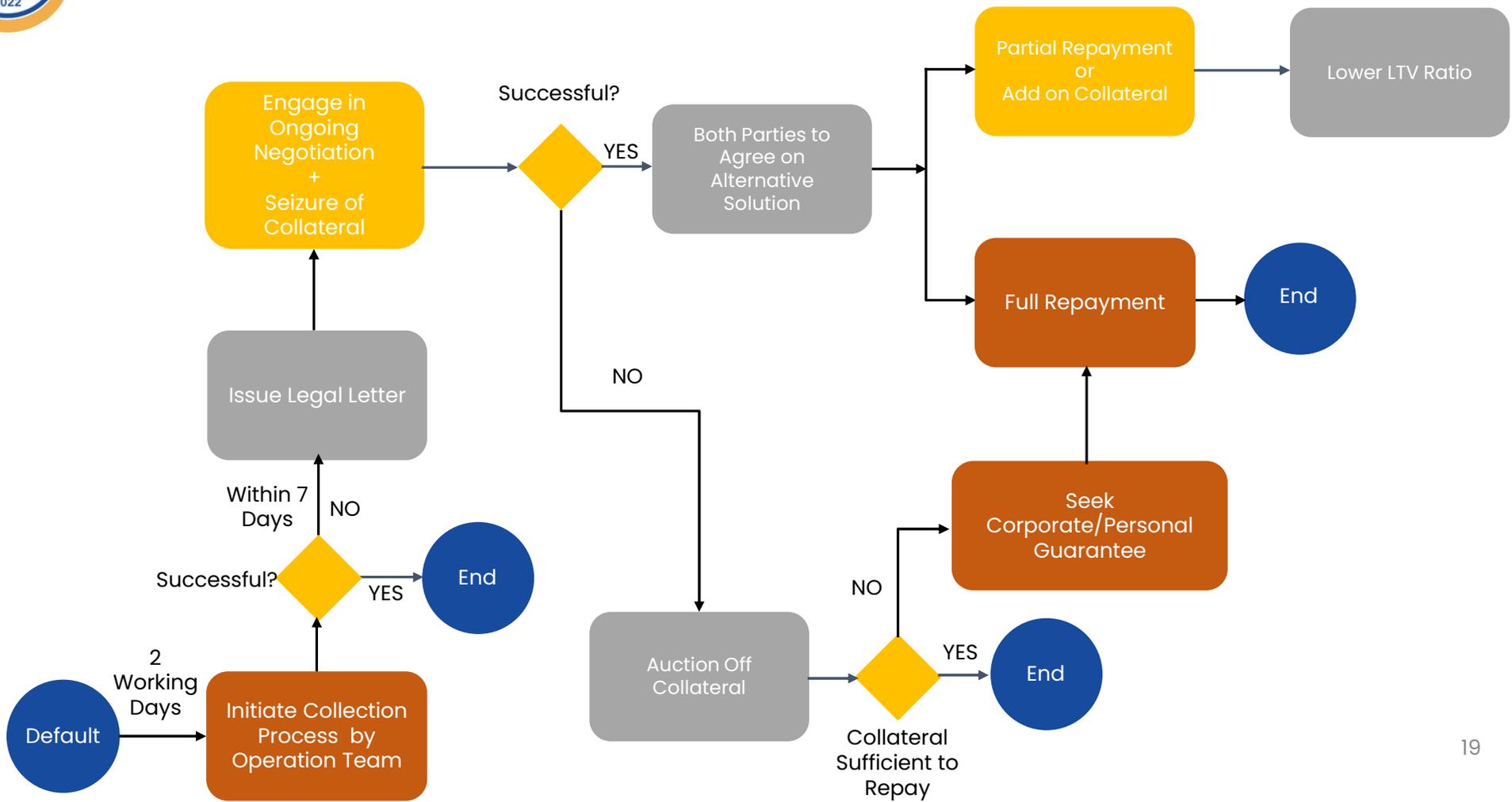
Active credit risk management and debt recovery efforts showcased in low utilization of allowance for impairment loss

Utilisation of allowance for impairment loss





Risk Management Procedures

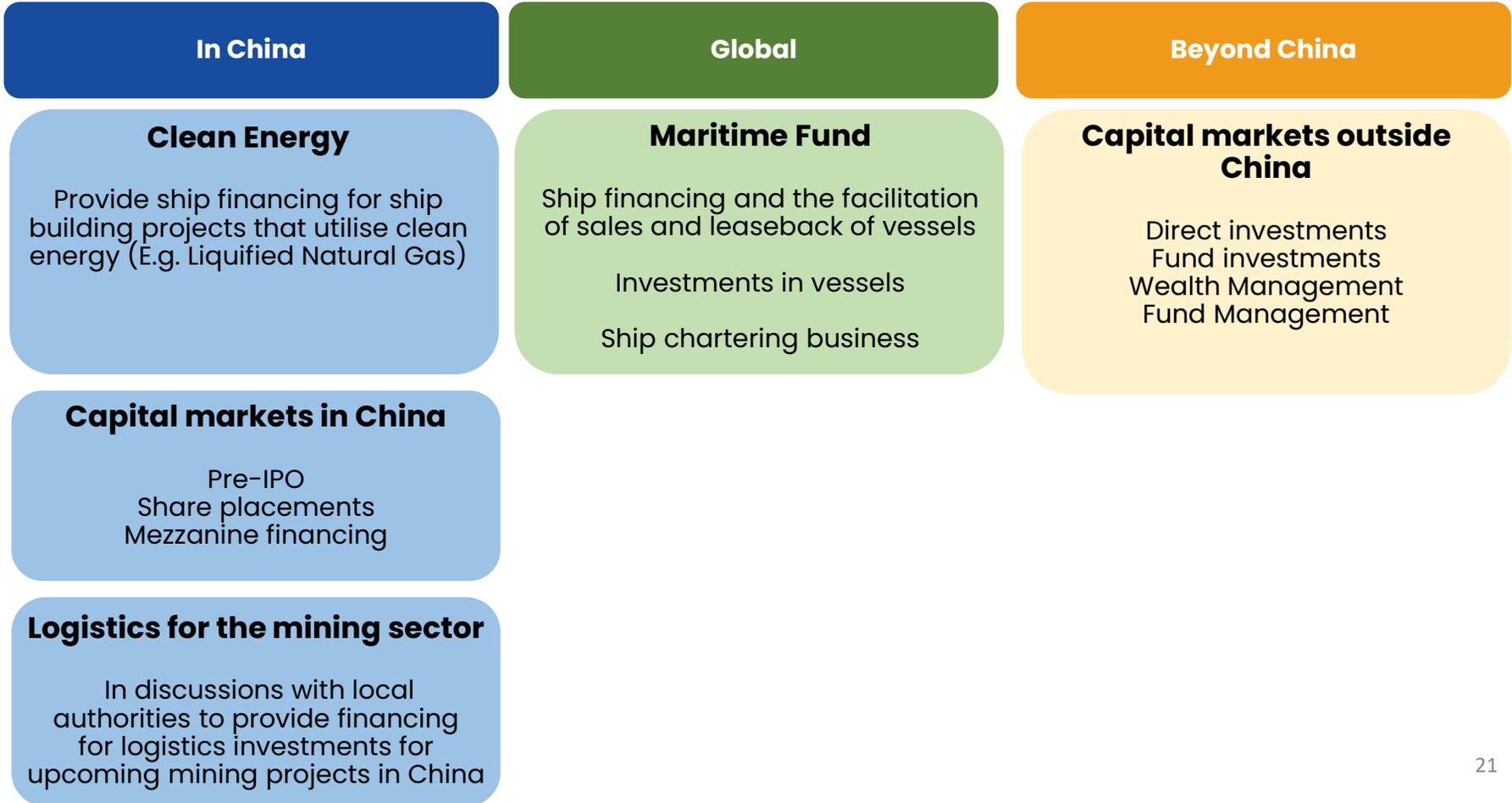




Key Focus



INVESTMENT KEY FOCUS





KEY TAKEAWAY

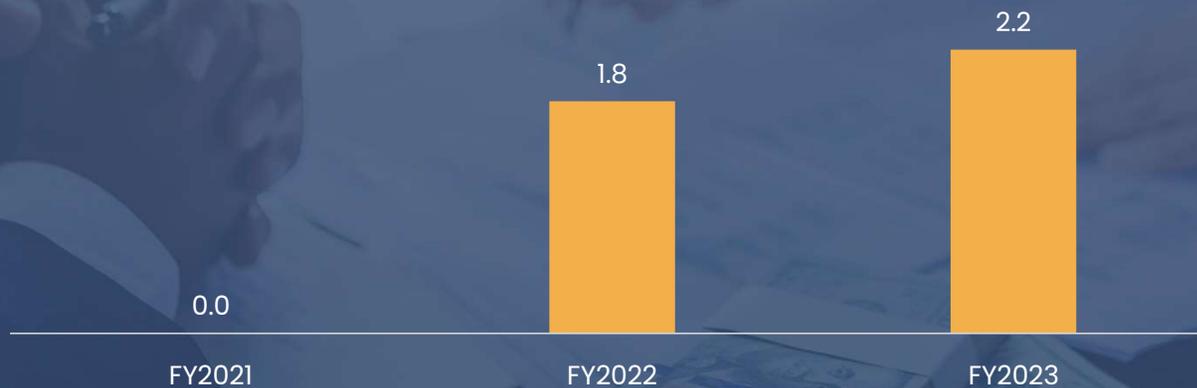


Sustainable, Strong Dividend Growth



Dividend increased by 22%. Management seek a stable 40% payout ratio for dividend payments

Dividend / Share (SG cents)



* Company was spun out of the parent group Yangzijiang Shipbuilding in April 2022



Key Takeaway

0.3x Price/Book

S\$1.19b

Market Cap
(As of 28 Feb 2024)

S\$1.61b

Cash and Cash yield
enhancement products
(As of 31 Dec 2023)

S\$3.84b

Net Asset Value
(As of 31 Dec 2023)



Team of professional industry experts



Aims to diversify across asset classes and geographies



Three-pronged strategy

- Self-managed funds; GEM
- Access to top-tier PE and Private Credit Funds
- Wealth management



Key focus: Generate good returns, sustainable dividend yield to investors

- **Dividend policy:** Paying out at least 40% of its profits as dividends
- **Share buyback:** S\$131 million worth of shares bought back (9.06% of shares repurchased) since programme initiation



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THANK YOU

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