



**YANGZIJIANG FINANCIAL HOLDING LTD.**

(Company Registration No. 202143180K)

(Incorporated in the Republic of Singapore on 14 December 2021)

CLSA Singapore Pte Ltd is the Issue Manager for the listing of Yangzijiang Financial Holding Ltd. on the Mainboard of the Singapore Securities Exchange Trading Limited by way of an introduction.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2023**

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*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Company's Introductory Document dated 1 April 2022 (the "Introductory Document").*

**YANGZIJIANG FINANCIAL HOLDING LTD.**  
*(Incorporated in Singapore. Registration Number: 202143180K)*  
**AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR SIX-MONTH PERIOD AND FULL YEAR ENDED 31**  
**DECEMBER 2023**

**Yangzijiang Financial Holding Ltd. and its Subsidiaries**  
**Condensed Consolidated Interim Financial Statements**  
For the six-month period and full year ended 31 December 2023

## A. Condensed Interim Consolidated Statement of Comprehensive Income

Note	The Group				The Group				
	January - December				2nd Half Year				
	2023	% of	2022	+/(-)%	2H2023	% of	2H2022	+/(-)%	
	Total	Income	Variance		Total	Income	Variance		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>Income</b>									
Interest income	5	287,240	82%	332,754	-14%	135,687	95%	147,881	-8%
Interest income from financial assets at fair value through profit or loss		6,209	2%	-	n.m.	1,112	1%	-	n.m.
Income from maritime fund assets		23,375	7%	-	n.m.	23,026	16%	-	n.m.
Dividend income		12,563	4%	7,698	63%	6,312	4%	114	5437%
Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss	6	17,688	5%	(40,666)	n.m.	(24,517)	-17%	(22,096)	11%
Other income		1,359	0%	655	107%	679	0%	305	123%
<b>Total income</b>		<b>348,434</b>	100%	<b>300,441</b>	16%	<b>142,299</b>	100%	<b>126,204</b>	13%
<b>Expenses</b>									
Employee compensation	7	(8,123)	-2%	(3,612)	125%	(4,956)	-3%	(2,499)	98%
Other expenses	8	(38,221)	-11%	(25,626)	49%	(25,517)	-18%	(11,175)	128%
<b>Total expenses</b>		<b>(46,344)</b>	-13%	<b>(29,238)</b>	59%	<b>(30,473)</b>	-21%	<b>(13,674)</b>	123%
<b>Profit before allowances</b>									
		<b>302,090</b>	87%	<b>271,203</b>	11%	<b>111,826</b>	79%	<b>112,530</b>	-1%
Allowances for credit and other losses	9	(31,208)	-9%	(123,853)	-75%	(39,701)	-28%	(135,850)	-71%
<b>Profit after allowances</b>		<b>270,882</b>	78%	<b>147,350</b>	84%	<b>72,125</b>	51%	<b>(23,320)</b>	n.m.
Share of results of associated companies, net of tax		(7,386)	-2%	6,664	n.m.	(5,126)	-4%	29,980	n.m.
Other gains	10	13,621	4%	42,382	-68%	(4,371)	-3%	20,268	n.m.
<b>Profit before income tax</b>		<b>277,117</b>	80%	<b>196,396</b>	41%	<b>62,628</b>	44%	<b>26,928</b>	133%
Income tax expense	11	(74,426)	-21%	(34,394)	116%	(22,452)	-16%	(1,305)	1620%
<b>Net profit for the year</b>		<b>202,691</b>	58%	<b>162,002</b>	25%	<b>40,176</b>	28%	<b>25,623</b>	57%
<b>Profit attributable to:</b>									
Equity holders of the Company		201,799		162,002	25%	39,284		25,623	53%
Non-controlling interests		892		-	n.m.	892		-	n.m.
		<b>202,691</b>		<b>162,002</b>	25%	<b>40,176</b>		<b>25,623</b>	57%
<b>Earnings per share attributable to equity holders of the company</b>									
- Basic and diluted (expressed in S\$ cents per share)	12	5.53		4.22	31%	1.08		0.68	59%
<b>Net profit for the year</b>		<b>202,691</b>		<b>162,002</b>	25%	<b>40,176</b>		<b>25,623</b>	57%
<b>Other comprehensive income:</b>									
<i>Items that may be reclassified subsequently to profit or loss:</i>									
- Currency translation gains/(losses)		530		1,107	-52%	(1,570)		3,671	n.m.
- Currency translation difference for presentation		(142,399)		(298,692)	-52%	(22,964)		(298,692)	-92%
<i>Items that will not be reclassified subsequently to profit or loss:</i>									
- Currency translation losses		(14)		-	n.m.	(14)		-	n.m.
<b>Other comprehensive loss, net of tax</b>		<b>(141,883)</b>		<b>(297,585)</b>		<b>(24,548)</b>		<b>(295,021)</b>	
<b>Total comprehensive income</b>		<b>60,808</b>		<b>(135,583)</b>		<b>15,628</b>		<b>(269,398)</b>	
<b>Total comprehensive income attributable to:</b>									
Equity holders of the Company		59,930		(135,583)	n.m.	14,750		(269,398)	n.m.
Non-controlling interests		878		-	n.m.	878		-	n.m.
		<b>60,808</b>		<b>(135,583)</b>	n.m.	<b>15,628</b>		<b>(269,398)</b>	n.m.

*n.m. denotes not meaningful.*

## B. Condensed Interim Consolidated Statement of Financial Position

	Note	<u>The Group</u>		<u>The Company</u>	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,406,173	620,686	165,827	73,026
Financial assets, at fair value through profit or loss	15	121,617	56,210	-	-
Derivative financial instruments		4,475	-	4,475	-
Debt investments at amortised cost	16	1,128,214	2,264,600	4,049	-
Trade and other receivables	17	51,471	26,708	3,554,187	4,084,201
		<u>2,711,950</u>	<u>2,968,204</u>	<u>3,728,538</u>	<u>4,157,227</u>
<b>Non-current assets</b>					
Debt investments at amortised cost	16	550,669	407,307	-	-
Trade and other receivables	17	89,934	2,788	-	-
Investment in subsidiaries		-	-	116,361	4,958
Investments in associated companies	18	295,956	322,643	-	-
Investment properties		19,327	21,540	-	-
Financial assets, at fair value through profit or loss	15	312,206	413,862	-	-
Property, plant and equipment	19	127,097	2,814	732	1,116
Goodwill		1,023	1,061	-	-
Deferred income tax assets		67,833	65,728	-	-
		<u>1,464,045</u>	<u>1,237,743</u>	<u>117,093</u>	<u>6,074</u>
<b>Total assets</b>		<u>4,175,995</u>	<u>4,205,947</u>	<u>3,845,631</u>	<u>4,163,301</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Other payables		45,543	52,917	28,364	137,057
Derivative financial instruments		19,109	6,876	10,478	4,035
Borrowings	20	374	13,830	374	384
Current income tax liabilities		24,631	28,867	3	507
		<u>89,657</u>	<u>102,490</u>	<u>39,219</u>	<u>141,983</u>
<b>Non-current liabilities</b>					
Borrowings	20	358	732	358	732
Deferred income tax liabilities		172,441	228,906	166,582	222,747
		<u>172,799</u>	<u>229,638</u>	<u>166,940</u>	<u>223,479</u>
<b>Total liabilities</b>		<u>262,456</u>	<u>332,128</u>	<u>206,159</u>	<u>365,462</u>
<b>NET ASSETS</b>		<u>3,913,539</u>	<u>3,873,819</u>	<u>3,639,472</u>	<u>3,797,839</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		3,719,408	3,858,695	3,719,408	3,858,695
Treasury shares		(122,288)	(94,120)	(122,288)	(94,120)
Other reserves		49,358	26,963	-	-
Retained earnings		190,601	84,999	41,956	34,252
Currency translation reserve		(1,027)	(2,718)	396	(988)
		<u>3,836,052</u>	<u>3,873,819</u>	<u>3,639,472</u>	<u>3,797,839</u>
Non-controlling interests		77,487	-	-	-
<b>Total equity</b>		<u>3,913,539</u>	<u>3,873,819</u>	<u>3,639,472</u>	<u>3,797,839</u>

## C. Condensed Interim Consolidated Statement of Cash Flows

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit after income tax	202,691	162,002
Adjustments for:		
- Income tax expenses	74,426	34,394
- Depreciation of property, plant and equipment	3,026	215
- Depreciation of investment properties	1,464	1,257
- Fair value (gain)/loss on financial assets, at fair value through profit or loss	(8,246)	34,886
- Dividend income	(12,563)	(7,698)
- Fair value loss on derivative financial instruments	7,991	6,876
- Share of results from associated companies	7,386	(6,664)
- Net effect of exchange rate changes in consolidating foreign operations	(5,039)	72,568
	<b>271,136</b>	<b>297,836</b>
Changes in working capital		
- Trade and other receivables	(62,052)	5,798
- Other payables	(5,464)	50,022
- Debt investments at amortised cost	896,577	45,227
Cash generated from operations	1,100,197	398,883
Income tax paid	(127,447)	(87,434)
<b>Net cash provided by operating activities</b>	<b>972,750</b>	<b>311,449</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of financial assets, at fair value through profit and loss	254,731	112,483
Proceeds from disposal of associated companies	-	1,412
Proceeds from disposal of property plant and equipments	827	-
Dividend received	12,563	7,698
Purchase of property, plant and equipment	(128,042)	(10)
Additions to investment properties	-	(260)
Acquisition of financial assets, at fair value through profit and loss	(278,122)	(226,633)
Acquisition of a subsidiary, net of cash	-	(999)
Additions to investments in associated companies	(42,494)	(143,718)
Return of capital by associated companies	50,338	26,347
<b>Net cash (used in)/provided by investing activities</b>	<b>(130,199)</b>	<b>(223,680)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(66,454)	-
Proceeds from loans and borrowings	91,615	61,751
Repayment of loans and borrowings	(105,186)	(47,189)
Share buyback	(31,566)	(94,120)
Capital injection by non-controlling interest	76,932	-
Movement in funding from YZJ Group	-	631,829
<b>Net cash provided by/(used in) financing activities</b>	<b>(34,659)</b>	<b>552,271</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>807,892</b>	<b>640,040</b>
Cash and cash equivalents at the beginning of financial year	620,686	18,374
Effects of currency translation on cash and cash equivalents	(22,405)	(37,728)
<b>Cash and cash equivalents at the end of financial year</b>	<b>1,406,173</b>	<b>620,686</b>

## D. Condensed Interim Consolidated Statement of Changes in Equity

### THE GROUP

	Attributable to equity holders of the Group								
	<u>Owner's net investment</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Other reserves</u>	Currency	<u>Retained earnings</u>	Non-controlling		
					<u>translation reserve</u>		<u>Total</u>	<u>interests</u>	<u>Total equity</u>
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Balance at 1 January 2023</b>	-	3,858,695	(94,120)	26,963	(2,718)	84,999	3,873,819	-	3,873,819
Profit for the financial year	-	-	-	-	-	201,799	201,799	892	202,691
Other comprehensive loss	-	-	-	-	(141,869)	-	(141,869)	(14)	(141,883)
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	(141,869)	201,799	59,930	878	60,808
Transfer <sup>(1)</sup>	-	-	-	23,368	-	(23,368)	-	-	-
Translation differences arising from translation of equity items to presentation currency	-	(139,287)	3,398	(973)	143,560	(6,698)	-	-	-
Dividend paid <sup>(2)</sup>	-	-	-	-	-	(66,131)	(66,131)	(323)	(66,454)
Share buyback <sup>(3)</sup>	-	-	(31,566)	-	-	-	(31,566)	-	(31,566)
Capital injection by non-controlling interest <sup>(4)</sup>	-	-	-	-	-	-	-	76,932	76,932
<b>As at 31 December 2023</b>	-	3,719,408	(122,288)	49,358	(1,027)	190,601	3,836,052	77,487	3,913,539

	Attributable to equity holders of the Group								
	<u>Owner's net investment</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Other reserves</u>	Currency	<u>Retained earnings</u>	Non-controlling		
					<u>translation reserve</u>		<u>Total</u>	<u>interests</u>	<u>Total equity</u>
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Balance at 1 January 2022</b>	984,363	2,084,771	-	15,042	272,369	892,255	4,248,800	-	4,248,800
Profit for the financial year	-	-	-	-	-	162,002	162,002	-	162,002
Other comprehensive loss	-	-	-	-	(297,585)	-	(297,585)	-	(297,585)
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	(297,585)	162,002	(135,583)	-	(135,583)
Transfer	-	-	-	15,096	-	(15,096)	-	-	-
Translation differences arising from translation of equity items to presentation currency	-	(293,267)	-	(902)	294,867	(698)	-	-	-
Spin-off process	(984,363)	2,067,191	-	(2,273)	(272,369)	(953,464)	(145,278)	-	(145,278)
Share buyback	-	-	(94,120)	-	-	-	(94,120)	-	(94,120)
<b>As at 31 December 2022</b>	-	3,858,695	(94,120)	26,963	(2,718)	84,999	3,873,819	-	3,873,819

**Yangzijiang Financial Holding Ltd. and its Subsidiaries**  
*Condensed Consolidated Interim Financial Statements*  
For the six-month period and full year ended 31 December 2023

**THE COMPANY**

	<b>Attributable to equity holders of the Company</b>					
	<b>Share capital</b>	<b>Treasury shares</b>	<b>Other reserves</b>	<b>Currency</b>	<b>Retained earnings</b>	<b>Total equity</b>
				<b>translation reserve</b>		
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1 January 2023</b>	3,858,695	(94,120)	-	(988)	34,252	3,797,839
Profit for the year	-	-	-	-	76,024	76,024
Other comprehensive loss for the year	-	-	-	(136,694)	-	(136,694)
Total comprehensive income/(loss) for the year	-	-	-	(136,694)	76,024	(60,670)
Translation differences arising from translation of equity items to presentation currency	(139,287)	3,398	-	138,078	(2,189)	-
Dividend paid <sup>(2)</sup>	-	-	-	-	(66,131)	(66,131)
Share buyback <sup>(3)</sup>	-	(31,566)	-	-	-	(31,566)
<b>Balance at 31 December 2023</b>	<b>3,719,408</b>	<b>(122,288)</b>	<b>-</b>	<b>396</b>	<b>41,956</b>	<b>3,639,472</b>
<b>Balance at 1 January 2022</b>	*	-	-	-	-	*
Issuance of shares	4,151,962	-	-	-	-	4,151,962
Profit for the year	-	-	-	-	87,299	87,299
Other comprehensive loss for the year	-	-	-	(294,255)	-	(294,255)
Total comprehensive income/(loss) for the year	-	-	-	(294,255)	87,299	(206,956)
Share buyback	-	(94,120)	-	-	-	(94,120)
Translation differences arising from translation of equity items to presentation currency	(293,267)	-	-	293,267	-	-
Distributions to owner	-	-	-	-	(53,047)	(53,047)
<b>Balance at 31 December 2022</b>	<b>3,858,695</b>	<b>(94,120)</b>	<b>-</b>	<b>(988)</b>	<b>34,252</b>	<b>3,797,839</b>

- (2) The S\$66,131,000 represents the final dividend of 1.80 Singapore cents per ordinary share in respect of the financial year ended 31 December 2022. The Company paid the dividend on 25 May 2023. The S\$323,000 represents dividend paid to non-controlling shareholders of GEM Growth Fund VCC and its subsidiaries.
- (3) The Company held its 1<sup>st</sup> extraordinary general meeting on 8 June 2022 and was granted the share buyback mandate (the “Buy-back Mandate”) by its shareholders. Till 31 December 2023, the Company had bought back 352,706,900 shares of the Company by way of market acquisition, which are held as treasury shares.
- (4) This represents capital injection by non-controlling interest of GEM Growth Fund VCC and its subsidiaries.

\* The company was incorporated on 14 December 2021 with a share capital of S\$100. As of 31 December 2021, there was a share capital of S\$100.

## **E. Notes to the Condensed Interim Financial Statements**

### **1. Corporate information**

Yangzijiang Financial Holding Ltd. (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of the Company's registered office is 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (the "YZJ Financial Group", or the "Group") are principally engaged in investment-related activities. The Group's investments include debt investments, venture capital investments, maritime fund investments, micro-financing, and fund management and investment advisory services.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months period and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Renminbi ("RMB") and the financial statements are presented in Singapore Dollar ("SGD") ("presentation currency").

#### **2.1 New and amended standards adopted by the Group**

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 15 & 18 - Fair value of investments in financial assets, at fair value through profit or loss & associated companies.
- Note 16 - Impairment of debt investments at amortised costs: key assumptions applied in estimating the expected credit loss rates.

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

### 4. Segment and revenue information

The management considers business from geographical perspective and the following table analyses the total assets and total income by geography:

Segment income	2023	2022	6 months ended 31 December 2023	6 months ended 31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
China	293,876	297,901	120,031	125,839
Singapore	54,558	2,540	22,268	365
	<u>348,434</u>	<u>300,441</u>	<u>142,299</u>	<u>126,204</u>

Segment assets	2023	2022
	S\$'000	S\$'000
China	2,849,720	3,668,332
Singapore	1,326,275	537,615
	<u>4,175,995</u>	<u>4,205,947</u>

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**5. Interest income**

	<b>2023</b>	<b>2022</b>	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Interest income from:				
- debt investments at amortised cost	263,386	309,622	120,414	132,007
- microfinance	2,986	2,569	2,827	703
	<u>266,372</u>	<u>312,191</u>	<u>123,241</u>	<u>132,710</u>
- cash and cash equivalents	20,868	20,563	12,446	15,171
	<u>287,240</u>	<u>332,754</u>	<u>135,687</u>	<u>147,881</u>

**6. Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss**

	<b>2023</b>	<b>2022</b>	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Financial assets, at fair value through profit or loss				
- Realised	15,681	-	2,872	-
- Change in unrealised	8,246	(34,886)	(13,464)	(15,871)
	<u>23,927</u>	<u>(34,886)</u>	<u>(10,592)</u>	<u>(15,871)</u>
Derivative financial instruments				
- Realised	1,752	-	686	-
- Change in unrealised	(7,991)	(5,780)	(14,611)	(6,225)
	<u>(6,239)</u>	<u>(5,780)</u>	<u>(13,925)</u>	<u>(6,225)</u>
	<u>17,688</u>	<u>(40,666)</u>	<u>(24,517)</u>	<u>(22,096)</u>

**7. Employee compensation**

	<b>2023</b>	<b>2022</b>	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Salaries, wages and employer's contributions to defined contribution plans	8,123	3,612	4,956	2,499
	<u>8,123</u>	<u>3,612</u>	<u>4,956</u>	<u>2,499</u>

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**8. Other expenses**

	<b>2023</b>	<b>2022</b>	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Business tax on interest income from debt instruments at amortised cost and loans to non-related parties - microfinance	14,536	16,870	6,535	6,600
Tax surcharge	2,031	2,801	1,472	1,392
Professional fees	2,920	2,580	2,061	1,109
Management fees	746	-	540	-
Operating costs of maritime fund assets	9,235	-	9,235	-
Depreciation of investment properties	1,464	1,257	957	701
Depreciation of property, plant and equipment	3,026	215	2,749	104
Client relationship expenses	933	120	42	71
Legal fees	942	715	825	509
Travel expense	213	170	104	117
Directors' fee	432	144	111	144
Finance costs	498	192	10	192
Others	1,245	562	876	236
	<b>38,221</b>	<b>25,626</b>	<b>25,517</b>	<b>11,175</b>

**9. Allowances for/(reversal of allowances for) credit and other losses**

	<b>2023</b>	<b>2022</b>	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Allowances for/(reversal of allowances for) credit losses				
- Debt investments at amortised costs	33,788	121,504	42,281	131,592
- Loans to non-related parties - microfinance	(2,580)	2,349	(2,580)	4,258
	<b>31,208</b>	<b>123,853</b>	<b>39,701</b>	<b>135,850</b>

**10. Other gains**

	<b>2023</b>	<b>2022</b>	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Foreign exchange gains - net	8,411	42,375	(9,090)	20,261
Government grant income	4,463	7	4,127	7
Others	747	-	592	-
	<b>13,621</b>	<b>42,382</b>	<b>(4,371)</b>	<b>20,268</b>

## 11. Income taxes

	<b>2023</b>	<b>2022</b>	<b>6 months ended 31 December 2023</b>	<b>6 months ended 31 December 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Income tax expense attributable to profit is made up of:				
- Current income tax	75,279	92,581	33,480	56,126
- Deferred income tax	(853)	(58,187)	(11,028)	(54,821)
	<u>74,426</u>	<u>34,394</u>	<u>22,452</u>	<u>1,305</u>

## 12. Earnings per share

	<u>The Group</u>	
	<b>2023</b>	<b>2022</b>
(a) Based on weighted average number of ordinary shares in issue (S cents) - Basic EPS	5.53	4.22
Weighted average number of ordinary shares	3,650,379,014	3,836,518,520
(b) On fully diluted basis (S cents)	5.53	4.22

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is equal to basic earnings per share as at the year ended 31 December 2023 and 2022 as the Company has no potential dilutive ordinary shares.

## 13. Net Asset Value

	<u>The Group</u>		<u>The Company</u>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Net asset value per ordinary share based on issued share capital excluding treasury shares (S cents)	106.62	104.95	101.16	102.90

**14. Related party transactions**

	2023	2022	6 months ended 31 December 2023	6 months ended 31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Capital injection from YZJ Group	-	4,151,962	-	-
Distributions to owner	-	(71,099)	-	-
Movement in funding to YZJ Group	-	(984,363)	-	-
Acquisition of a subsidiary	-	(1,680)	-	-

**15. Financial assets, at fair value through profit or loss**

	The Group	
	2023	2022
	S\$'000	S\$'000
Beginning of financial year	470,072	505,426
Investments transfer to YZJ Group before spin-off	-	(71,361)
Additions	278,122	226,633
Disposals	(305,653)	(112,483)
Fair value loss through profit and loss	8,246	(34,886)
Currency translation difference	(16,964)	(43,257)
End of financial year	<u>433,823</u>	<u>470,072</u>

	The Group	
	2023	2022
	S\$'000	S\$'000
Current		
Listed		
- Equity securities	-	27,597
Unlisted		
- Debt securities	121,617	-
- Venture capital funds	-	28,613
	<u>121,617</u>	<u>56,210</u>
Non-Current		
Unlisted		
- Debt securities	49,827	-
- Venture capital funds	262,379	413,862
	<u>312,206</u>	<u>413,862</u>
	<u>433,823</u>	<u>470,072</u>

## 16. Debt investments at amortised cost

The Group invests in fixed interest debt instruments through intermediary financial institutions for specific borrowings arranged by these intermediaries, government bonds and other short-term investments offered by various banks that the Group intends to hold till maturity.

Movements during the year are as follows:

	<u>The Group</u>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of financial year	2,671,907	3,514,595
Investments transfer to YZJ Group before spin-off	-	(536,377)
Addition	320,915	1,714,500
Redemptions	(1,184,367)	(1,638,594)
Impairment losses recognised in profit or loss	(33,788)	(121,504)
Currency translation difference	(95,784)	(260,713)
End of financial year	<u>1,678,883</u>	<u>2,671,907</u>

	<u>The Group</u>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Current</b>		
Debt investments	1,203,823	2,461,001
Less: Allowance for impairment loss	(80,419)	(211,006)
Currency transaction difference	4,810	14,605
	<u>1,128,214</u>	<u>2,264,600</u>
<b>Non-current</b>		
Debt investments	724,777	447,697
Less: Allowance for impairment loss	(178,276)	(44,137)
Currency transaction difference	4,168	3,747
	<u>550,669</u>	<u>407,307</u>
<b>Total</b>		
Debt investments	1,928,600	2,908,698
Less: Allowance for impairment loss	(258,695)	(255,143)
Currency transaction difference	8,978	18,352
	<u>1,678,883</u>	<u>2,671,907</u>

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The Group provides for credit losses against debt investments as follows:

<b>Category</b>	<b>Performing S\$'000</b>	<b>Under-performing S\$'000</b>	<b>Non-performing S\$'000</b>	<b>Total S\$'000</b>
<b>2023</b>				
Expected credit loss rates	7.63%	24.08%	-	*
Gross carrying amount	836,823	218,731	790,702	1,846,256
Credit loss allowance	(63,858)	(52,662)	(142,175)	(258,695)
Currency translation difference	2,492	1,302	5,184	8,978
Net carrying amount of fixed interest debt instruments through intermediary financial institutions in China	775,457	167,371	653,711	1,596,539
Government bonds and other short-term investments offered by various banks	82,344	-	-	82,344
Net carrying amount	857,801	167,371	653,711	1,678,883

<b>Category</b>	<b>Performing S\$'000</b>	<b>Under-performing S\$'000</b>	<b>Non-performing S\$'000</b>	<b>Total S\$'000</b>
<b>2022</b>				
Expected credit loss rates	5.60%	10.90%	-	*
Gross carrying amount	1,347,746	149,382	1,141,897	2,639,025
Credit loss allowance	(84,135)	(17,373)	(153,635)	(255,143)
Currency translation difference	8,873	1,147	8,332	18,352
Net carrying amount of fixed interest debt instruments through intermediary financial institutions in China	1,272,484	133,156	996,594	2,402,234
Government bonds and other short-term investments offered by various banks	269,673	-	-	269,673
Net carrying amount	1,542,157	133,156	996,594	2,671,907

**17. Trade and other receivables**

	<u>The Group</u>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<u>Current</u>		
Maritime fund assets - finance lease receivables	18,599	-
Trade receivables		
- Loans to non-related parties - microfinance	7,980	23,894
Less: Allowance for impairment of loans to non-related parties - microfinance	(2,764)	(6,925)
Currency translation difference	160	467
	23,975	17,436
Other receivables		
- Non-related parties - Other assets	27,496	9,272
	51,471	26,708
Trade and other receivables - current	51,471	26,708
	<u>The Group</u>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<u>Non-current</u>		
Maritime fund assets - finance lease receivables	88,119	-
Trade receivables		
- Loans to non-related parties - microfinance	1,815	2,788
Less: Allowance for impairment of loans to non-related parties - microfinance	-	-
Trade and other receivables - non-current	89,934	2,788

**18. Investments in associated companies**

	<u>The Group</u>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of financial year	322,643	227,050
Additions	42,494	143,718
Return of capital	(50,338)	(26,347) <sup>i</sup>
Disposals	-	(1,412)
Share of profits	(7,386)	6,664
Currency translation difference	(11,457)	(27,030)
End of financial year	295,956	322,643

**19. Property, plant and equipment**

	<b>Maritime fund assets - vessels \$'000</b>	<b>Buildings \$'000</b>	<b>Furniture, fittings &amp; equipment \$'000</b>	<b>Leasehold building \$'000</b>	<b>Total \$'000</b>
<u>The Group</u>					
<b>2023</b>					
<i>Cost</i>					
Beginning of financial year	-	2,155	65	1,116	3,336
Additions	128,037	-	5	-	128,042
Disposals	-	(827)	(48)	-	(875)
Currency translation difference	-	(78)	(2)	(40)	(120)
End of financial year	<u>128,037</u>	<u>1,250</u>	<u>20</u>	<u>1,076</u>	<u>130,383</u>
<i>Accumulated depreciation</i>					
Beginning of financial year	-	(467)	(55)	-	(522)
Disposals	-	128	49	-	177
Depreciation charge	(2,650)	-	(4)	(372)	(3,026)
Currency translation difference	20	35	2	28	85
End of financial year	<u>(2,630)</u>	<u>(304)</u>	<u>(8)</u>	<u>(344)</u>	<u>(3,286)</u>
<i>Net book value</i>					
End of financial year	<u>125,407</u>	<u>946</u>	<u>12</u>	<u>732</u>	<u>127,097</u>

	<b>Maritime fund assets - vessels \$'000</b>	<b>Buildings \$'000</b>	<b>Furniture, fittings &amp; equipment \$'000</b>	<b>Leasehold building \$'000</b>	<b>Total \$'000</b>
<u>The Group</u>					
<b>2022</b>					
<i>Cost</i>					
Beginning of financial year	-	2,368	6	-	2,374
Additions	-	-	10	1,116	1,126
Currency translation difference	-	(213)	49	-	(164)
End of financial year	<u>-</u>	<u>2,155</u>	<u>65</u>	<u>1,116</u>	<u>3,336</u>
<i>Accumulated depreciation</i>					
Beginning of financial year	-	(290)	(6)	-	(296)
Depreciation charge	-	(215)	-	-	(215)
Currency translation difference	-	38	(49)	-	(11)
End of financial year	<u>-</u>	<u>(467)</u>	<u>(55)</u>	<u>-</u>	<u>(522)</u>
<i>Net book value</i>					
End of financial year	<u>-</u>	<u>1,688</u>	<u>10</u>	<u>1,116</u>	<u>2,814</u>

## 20. Borrowings

	<u>The Group</u>	
	2023 S\$'000	2022 S\$'000
Current		
Bank borrowings (unsecured)	-	13,446
Lease liabilities	374	384
	374	13,830
Non-current		
Lease liabilities	358	732
	358	732
	732	14,562

## 21. Fair value measurement

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>The Group</u>				
<b>2023</b>				
Assets				
Derivative financial instruments	-	4,475	-	4,475
Financial assets, at fair value through profit or loss	-	121,617	312,206	433,823
		19,109		19,109
Liabilities				
Derivative financial instruments	-	19,109	-	19,109
		19,109		19,109
	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>The Group</u>				
<b>2022</b>				
Assets				
Financial assets, at fair value through profit or loss	27,597	-	442,475	470,072
		6,876		6,876
Liabilities				
Derivative financial instruments	-	6,876	-	6,876
		6,876		6,876

## Other Information Required by Listing Rule Appendix 7.2

**Yangzijiang Financial Holding Ltd. and its Subsidiaries**  
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**1. Review**

The condensed consolidated financial statement of Yangzijiang Financial Holding Ltd. and its subsidiaries for the six-month period and full year ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

**2. Number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no outstanding convertible securities as at 31 December 2023 and 31 December 2022.

**3. Number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of Shares ('000)			
	As at 31 December 2023	%	As at 31 December 2022	%
Shares held as treasury shares	352,707	8.9%	259,611	6.6%
Issued shares excluding treasury shares	<u>3,597,882</u>	91.1%	<u>3,690,978</u>	93.4%
Total number of shares	<u><b>3,950,589</b></u>	100%	<u><b>3,950,589</b></u>	100%

**4. The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of Shares ('000)	
	As at 31 December 2023	As at 31 December 2022
Issued shares at the end of financial year	3,950,589	3,950,589
Treasury shares at the end of year	<u>(352,707)</u>	<u>(259,611)</u>
Issued shares excluding treasury shares	<u><b>3,597,882</b></u>	<u><b>3,690,978</b></u>

**5. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	Number of Shares ('000)	S\$ '000
Treasury shares		
Balance as at 1 January 2023	259,611	94,120
Repurchased during the financial year	93,096	31,566
Translation difference	-	(3,398)
Treasury shares re-issued	-	-
Balance as at 31 December 2023	<u><b>352,707</b></u>	<u><b>122,288</b></u>

**6. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company does not have any subsidiary holdings.

**7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Income Statement Review**

**Total income**

	2023 S\$'000	2022 S\$'000	+/(-) % Variance	6 months	6 months	+/(-) % Variance
				ended 31 December 2023 S\$'000	ended 31 December 2022 S\$'000	
1) Interest income:						
- from debt investments business	259,058	310,392	-17%	118,258	130,911	-10%
- from cash management activities	28,182	22,362	26%	17,429	16,970	3%
	<u>287,240</u>	<u>332,754</u>	-14%	<u>135,687</u>	<u>147,881</u>	-8%
2) Investment income:						
Interest income from financial assets at fair value through profit or loss	6,209	-	n.m.	1,112	-	n.m.
Income from maritime fund assets	23,375	-	n.m.	23,026	-	n.m.
Dividend income	12,563	7,698	63%	6,312	114	5437%
	<u>42,147</u>	<u>7,698</u>		<u>30,450</u>	<u>114</u>	
3) Other net changes in fair value:						
- on financial assets at fair value through profit or loss	23,927	(34,886)	n.m.	(10,592)	(15,871)	-33%
- on derivative financial instruments	(6,239)	(5,780)	8%	(13,925)	(6,225)	124%
	<u>17,688</u>	<u>(40,666)</u>	n.m.	<u>(24,517)</u>	<u>(22,096)</u>	11%
4) Other income	1,359	655	107%	679	305	123%
Total income	<u>348,434</u>	<u>300,441</u>	16%	<u>142,299</u>	<u>126,204</u>	13%

**1) Interest income**

Interest income is a substantial income source for the Group, primarily generated from the Group's debt investments business, including debt securities and microfinancing loans, and the Group's cash management activities, including cash and yield enhancement products.

**2023 vs. 2022**

Throughout 2023, the interest income from the debt investments business amounted to S\$259.06 million, reflecting a 17% decrease, or S\$51.34 million, from S\$310.39 million in 2022. This annual decrease was attributed to a lower average balance of debt investments over the year.

The full-year interest income from cash management activities showed positive growth, increasing by S\$5.82 million from S\$22.36 million in 2022 to S\$28.18 million in 2023. This 26% increase was primarily due to a higher average cash balance and improved returns.

**2H2023 vs. 2H2022**

For the second half of 2023, interest income from the debt investments business amounted to S\$118.30 million, reflecting a 10% decrease, or S\$12.65 million, from S\$131.00 million in the corresponding period of 2022. This decrease was attributed to a lower average balance of debt investments over the period.

Interest income from cash management activities showed positive growth, rising from S\$17.00 million in 2H2022 to S\$17.45 million in 2H2023. This 3% increase was primarily due to a higher average cash balance and improved returns.

**2) Investment Income**

Investment income is derived from a diversified portfolio, including private credit funds, maritime private equity funds, private equity funds and listed equity securities.

**2023 vs. 2022**

The Group recorded S\$6.21 million in interest income from investments in Singapore private credit funds for the year 2023, indicative of a strategic expansion into the international private credit sector. Investment income from maritime private equity funds amounted to S\$23.38 million, reflecting the Group's entry into maritime investment activities. Dividend income increased to S\$12.56 million, a 63% rise from S\$7.70 million in 2022, attributable to the private equity funds that invested in China.

**2H2023 vs. 2H2022**

For the second half of 2023, interest income from private credit fund investments was reported at S\$1.11 million. Income from maritime private equity funds was significant, closely mirroring annual figures at S\$23.03 million. Dividend income for the period rose to S\$6.31 million from S\$0.11 million in the corresponding period of 2022, attributable to the private equity funds that invested in China.

**3) Other Net Changes in Fair Value**

This category reflects the net fair value changes on financial assets at fair value through profit or loss and derivative financial instruments.

**2023 vs. 2022**

The Group reported a net fair value gain of S\$17.69 million in 2023, a substantial improvement from a net fair value loss of S\$40.67 million in 2022. The Group reported a net fair value gain of S\$23.93 million from financial assets at fair value through profit or loss, which is mainly from unrealised fair value gain of Singapore private equity fund investments and realised gain of China listed equity securities investments. The Group also reported a net fair value loss of S\$6.34 million from derivative financial instruments, being forex derivative that the Group entered into for the purpose of hedging forex risk.

**2H2023 vs. 2H2022**

In the second half of 2023, the net fair value loss was at S\$24.52 million, showing a deterioration over a S\$22.10 million loss in 2H2022.

**4) Other Income**

Other income encompasses earnings from various activities, including rental income from investment properties, trading and commission income, and fund management fee income.

**2023 vs. 2022**

In 2023, other income rose by 107% to S\$1.36 million from S\$0.66 million in 2022. This increase is attributed to the import and export agency and trading activities.

**2H2023 vs. 2H2022**

During the latter half of 2023, rose by 123% to S\$0.68 million from S\$0.31 million in 2H2022. This increase is attributed to the import and export agency and trading activities.

**Total expenses**

The Group's total expenses encompassed employee compensation and a diverse array of other expenses, reflecting the Group's operational and strategic developments.

**1) Employee Compensation**

Employee compensation, constituting salaries, wages, and employer's contributions to defined contribution plans, showed marked increases both annually and semi-annually.

**2023 vs. 2022**

Employee compensation expenses rose by S\$4.51 million, from S\$3.61 million in 2022 to S\$8.12 million in 2023. This 125% increase is attributed to the Group's strategic expansion, particularly through the increase in employee headcount in Singapore to support the growing business operations.

**2H2023 vs. 2H2022**

Similarly, for the second half of the year, there was a 98% increase in employee compensation expenses, amounting to S\$2.46 million, from S\$2.50 million in 2H2022 to S\$4.96 million in 2H2023. This reflects the Group's continued emphasis on bolstering its workforce in alignment with its expansion initiatives in Singapore.

**2) Other Expenses**

Other expenses saw a composite change, influenced by new investment activities.

**2023 vs. 2022**

The Group's foray into maritime fund investments has introduced significant new expenses. Operating costs of maritime fund assets were a notable addition at S\$9.24 million for 2023. The depreciation of property, plant, and equipment increased to S\$3.03 million in 2023 from S\$0.22 million in 2022, due to the depreciation of maritime fund assets, aligning with the Group's investment in maritime fund assets. In 2023, the Group incurred management fees totalling S\$0.75 million, attributed to the investments in private credit and equity funds. The Group reported a 14% decrease in business tax on interest income from debt instruments and microfinance loans, which totalled S\$14.54 million in 2023 compared to S\$16.87 million in 2022. This decrease aligns with the reduced interest income from debt investments.

**2H2023 vs. 2H2022**

For the second half of 2023, other expenses increased by 128%, with a notable contribution from the operating costs of maritime fund assets and related depreciation.

**Allowance for credit and other losses**

The Group's allowances for credit and other losses are related to expected credit losses on debt investments at amortized costs and microfinance loans to non-related parties.

**2023 vs. 2022**

In 2023, the allowances for credit losses on debt investments at amortized costs experienced a significant decline to S\$33.79 million, down from S\$121.50 million in 2022. The allowances are from additional allowances made for both new and existing investments, net of reversal of unutilized

allowances for debt investments that were fully repaid during the year. The reversal of allowances for microfinance loans was S\$2.58 million, which contrasts with an allowance of S\$2.35 million in 2022, as a result of net reversal of unutilized allowances for debt investments that were fully repaid during the year.

**2H2023 vs. 2H2022**

During the 6-month period ending 31 December 2023, the allowances for credit losses on debt investments at amortized costs decreased by S\$89.31 million to S\$42.28 million from S\$131.59 million in the corresponding period of 2022. The reversal of allowances for microfinance loans was S\$2.58 million for the 6-month period in 2023, in contrast to an allowance of S\$4.26 million in 2022.

**Share of results of associated companies**

The Group's share of results from associated companies reflects the impact of market fluctuations on the investment portfolio of associated companies, which are entities engaged in venture capital activities in China.

**2023 vs. 2022**

In 2023, the Group recognized a share of losses amounting to S\$7.39 million, a significant contrast to a profit of S\$6.66 million in the prior year. These losses are attributable to the overall market losses from listed shares held by the associated companies in China.

**2H2023 vs. 2H2022**

For the second half of 2023, the share of losses was S\$5.13 million compared to a share of profits of S\$29.98 million in the same period of 2022. These losses are attributable to the overall market losses from listed shares held by the associated companies in China.

**Other gains**

The Group's other gains, comprising foreign exchange gains, government grants income and others.

**2023 vs. 2022**

In 2023, the Group reported net foreign exchange gains of S\$8.41 million, a decrease from S\$42.38 million in 2022. The decrease in net gains is primarily attributed to the slowing trend of the USD's appreciation against the RMB over the year. Government grant income saw an increase to S\$4.46 million in 2023, which is associated with incentives qualified during the year.

**2H2023 vs. 2H2022**

For the second half of 2023, the Group experienced net foreign exchange losses of S\$9.09 million, a downturn from gains of S\$20.26 million in the same period of 2022. This reversal in the latter half of the year aligns with the trend of a diminished rate of USD appreciation against RMB, which impacted the Group's foreign exchange gains negatively. Government grant income saw an increase to S\$4.13 million, which is associated with incentives qualified during the period.

**Income tax expenses**

The Group is subject to income tax at the applicable rates in Singapore and China, which was 17% and 25% respectively.

**2023 vs. 2022**

The Group incurred current income tax expenses of S\$75.28 million in 2023, a decrease from S\$92.58 million in 2022. This decrease is due a reduction in taxable income. Deferred income tax presented a credit of S\$0.85 million in 2023 compared to a credit of S\$58.19 million in 2022, as a result of withholding tax paid on distributed profits of China subsidiaries during the year.

2H2023 vs. 2H2022

For the second half of 2023, the Group reported current income tax expenses of S\$33.48 million, a decrease from S\$56.13 million in the corresponding period of 2022. This decrease is due a reduction in taxable income. Deferred income tax for the same period showed a credit of S\$11.03 million, a decrease from a credit of S\$54.82 million. The lesser amount of deferred tax credit is due to withholding tax paid on distributed profits of China subsidiaries during the period.

## **Financial Position Statement Review**

Net assets attributable to the equity holders of the Company experienced a modest decline of 1%, amounting to S\$37.77 million. The year-end figure stood at S\$3,836.05 million on 31 December 2023, compared to S\$3,873.82 million on 31 December 2022. This decrement is due to currency translation discrepancies, as the Group's financial reporting is presented in SGD, and a considerable portion - approximately 73% - of its investment portfolio is RMB-based investments. The RMB's devaluation against the SGD, with the exchange rate adjusting from SGD/RMB 5.1831 at the close of 2022 to SGD/RMB 5.3772 at the end of 2023, resulted in a translation loss. This shift in the exchange rate has unfavourably affected the SGD-valued net worth of the Group's RMB-based investments over the financial year.

### **Assets**

Cash and cash equivalents increased by 127% or S\$785.49 million, from S\$620.69 million as at 31 December 2022 to S\$1,406.17 million as at 31 December 2023. The increase was mainly due to net repayment of debt investments at amortised cost during the year.

Financial assets valued at fair value through profit or loss decreased by 8% reduction or S\$36.25 million, from S\$470.07 million as at 31 December 2022 to S\$433.82 million as at 31 December 2023. The decrease was mainly due to net disposal during the year.

Derivative financial instruments were introduced, amounting to S\$4.48 million as at 31 December 2023. The increase was due to fair value gain on forex derivative.

Debt investments at amortised cost decreased by 37% or S\$993.02 million, from S\$2,671.91 million as at 31 December 2022 to S\$1,678.88 million as at 31 December 2023. The decrease was mainly due to net repayment during the year.

Trade and other receivables witnessed a substantial increase of S\$111.91 million, soaring by 379%, from S\$29.50 million as at the end of 2022 to S\$141.41 million as at the end of 2023. The increase was mainly due to the addition of maritime fund assets - finance lease receivables, which is aligning with the Group's expansion initiatives in maritime fund assets.

Investments in associated companies decreased by 8% or S\$26.69 million, from S\$322.64 million as at 31 December 2022 to S\$295.96 million as at 31 December 2023. The decrease was mainly due to net distribution during the year.

Investment properties decreased by 10% or S\$2.21 million, from S\$21.54 million as at 31 December 2022 to S\$19.33 million as at 31 December 2023. The decrease was mainly due to depreciation during the year.

Property, plant and equipment increased significantly by 4,412% or S\$124.28 million, from S\$2.81 million as at 31 December 2022 to S\$127.10 million as at 31 December 2023. The increase was mainly due to the addition of maritime fund assets - vessels, which is aligning with the Group's investment in maritime fund assets.

Goodwill decreased by 4% or S\$0.04 million, from S\$1.06 million as at 31 December 2022 to S\$1.02 million as at 31 December 2023. The decrease was due to the currency translation difference.

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*For the six-month period and full year ended 31 December 2023*

Deferred income tax assets increased by 3% or S\$2.11 million, from S\$65.73 million as at 31 December 2022 to S\$67.83 million as at 31 December 2023. The increase was mainly due to increase in provision of allowances for credit and other losses on debt investments at amortised cost.

### **Liabilities**

Other payables experienced a decline of S\$7.37 million, representing a 14% decrease, to close at S\$45.54 million as of 31 December 2023, compared to S\$52.92 million at the end of the previous year. This reduction was mainly due to a decrease in the cash collateral the Group received for its debt investment.

Derivative financial instruments increased by 178% or S\$12.23 million, from S\$6.88 million as at 31 December 2022 to S\$19.11 million as at 31 December 2023. The increase was due to fair value loss on forex derivative.

Borrowings decreased by 95% or S\$13.83 million, from S\$14.56 million as at 31 December 2022 to S\$0.73 million as at 31 December 2023. The decrease was due to repayment of short-term USD loan that the Group entered as an arbitrage deal.

Current income tax liabilities decreased by 15% or S\$4.24 million, from S\$28.87 million as at 31 December 2022 to S\$24.63 million as at 31 December 2023. The decrease was mainly due to income tax paid during the year.

Deferred income tax liabilities decreased by 25% or S\$56.47 million, from S\$228.91 million as at 31 December 2022 to S\$172.44 million as at 31 December 2023. The decrease was mainly due to withholding tax paid on distributed profits of China subsidiaries during the year.

### **Equity**

Share capital decreased by approximately 4% or S\$139.29 million from S\$3,858.70 million as at 31 December 2022 to S\$3,719.41 million as at 31 December 2023. The decrease was due to translation differences arising from translation to presentation currency.

Treasury shares increased by S\$28.17 million, from S\$94.12 million as at 31 December 2022 to S\$122.29 million as at 31 December 2023, marking a 30% increase. During the year, the Company repurchased a total of 93,095,800 treasury shares.

Other reserves increased by 83% or S\$22.39 million, from S\$26.96 million as at 31 December 2022 to S\$49.36 million as at 31 December 2023. The increase was mainly due to increase in statutory reserve fund.

Retained earnings increased by S\$105.60 million, or 124 %, from S\$84.99 million as at 31 December 2022 to S\$190.60 million as at 31 December 2023. The increase was mainly driven by the profits earned during the year. The increase was partially offset by dividend distribution during the year.

Currency translation reserve increased by S\$1.69 million, moving from a deficit of S\$2.72 million as at 31 December 2022 to a lesser deficit of S\$1.03 million as at 31 December 2023. The decrease was due to less translation differences as of year-end.

Non-controlling interests were introduced at S\$77.49 million as at 31 December 2023, which were not present in the previous year's balance sheet. The increase was mainly due to the capital injection by non-controlling interests of subsidiaries.

## **Cash Flow Statement Review**

Overall, the Group experienced a net increase in cash and cash equivalents of S\$807.89 million throughout 2023. Starting from a base of S\$620.69 million at the year's beginning, the balance grew to S\$1.41 billion by year-end, after a currency translation loss of S\$22.41 million.

### Operating activities

For the full year 2023, the Group's net cash from operating activities was S\$972.75 million. The cash generated from operations before changes in working capital stood at S\$271.14 million, which was primarily due to profit after income tax of S\$202.69 million. Major changes in working capital were primarily due to the net repayments from debt investments at amortised cost of S\$896.57 million.

### Investing activities

The net cash used in investing activities for the year was S\$130.20 million. The disposal of financial assets at fair value through profit and loss contributed S\$254.73 million in inflows, and dividend income provided an additional S\$12.56 million. These were offset by a hefty acquisition of financial assets at fair value through profit and loss at S\$278.12 million and purchases of property, plant, and equipment amounting to S\$128.04 million.

### Financing activities

Financing activities led to a net outflow of S\$34.66 million. This included the servicing of debt with net repayments of loans and borrowings totalling S\$13.57 million and a distribution to shareholders in the form of dividends paid at S\$66.45 million. These outflows were partially mitigated by a capital injection from non-controlling interests amounting to S\$76.93 million.

## **8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

## **9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As of 31 December 2023, the Group had S\$4 billion of assets under management (“AUM”). The Group has remained resolute in its focus to create a diversified portfolio spanning various asset classes and geographical regions. This strategic approach, designed to optimise risk-adjusted returns for its shareholders, has achieved notable progress in the past year, enabling the Group to realise its aspiration of becoming a premier investment manager in Asia.

In particular, the Group's planned initiative to reduce its China debit/credit exposure to less than 50% of the Group's total AUM has been achieved in 3Q2023 (31 Dec 2021: 81%), well ahead of the original schedule. This has allowed the Group to further diversify its investments across asset classes and geographic markets. The Group remains focused on its diversification efforts and has set a new long-term target to further reduce its China debit/credit exposure to less than 30% of total AUM. This ratio currently stands at 40% as of the end of 2023.

With regards to its debt investments in China, the Group is pro-actively taking measures to mitigate the impact of exposures to the Chinese real estate market. It has minimised the granting of new loans that are exposed to the real estate sector and is diligently managing its non-performing loans through various avenues such as loan restructuring and legal remedies.

Meanwhile, the emphasis on the Maritime Fund remains key. Drawing on the extensive expertise of its management in the shipbuilding domain, the Group is well positioned to seize advantageous investment opportunities, both within and beyond the borders of China. This venture is aligned with the prevailing global surge in demand for vessels, with a focus on sustainable energy. To realise this objective, the Group actively collaborates with professionals and institutions on a global scale, aspiring to play a dual role, both as a facilitator and strategic investor. The Group aims to optimise potential returns within this dynamic sector.

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 around US\$300 million has already been earmarked for investments into primarily eco, modern, efficient, and highly marketable maritime assets. The Maritime Fund has thus far closed a total of 14 deals and invested around US\$180 million.

For its cash management activities, the Group has remained focused on optimising returns on its liquid assets. Simultaneously, it has adeptly channelled surplus cash into its fund management businesses, fostering expansion and harnessing profitable investment prospects, to secure sustainable returns for its shareholders.

The Group is also actively exploring investment opportunities in private credit assets. During the year, it established a partnership with Singapore-based Tahan Capital Management Pte Ltd to invest in private credit assets in Asia. The collaboration is a strategic move to diversify the Group's portfolio and leverage Asia's expansion in alternative financial assets.

## 10. Dividend

### a) Current Financial Period Reported On

Name of Dividend	Ordinary Share Final Dividend (Proposed)
Dividend Type	Cash
Dividend Rate	2.20 Singapore cents per ordinary share
Tax rate	Tax exempt (One-tier)
Book Closure date	to be announced in due course
Payment Date	to be announced in due course

### b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Ordinary Share Final Dividend
Dividend Type	Cash
Dividend Rate	1.80 Singapore cents per ordinary share
Tax rate	Tax exempt (One-tier)
Book Closure date	11 May 2023
Payment Date	25 May 2023

### c) Whether the dividend is before tax, net of tax or tax exempt

Tax exempt (One-tier).

### d) Date payable

The payment of the recommended final tax exempt (one-tier) dividend of 2.20 Singapore cents per share will be subjected to shareholders' approval to be obtained at the coming Annual General Meeting. The payment date will be announced in due course.

**e) Books closure date**

To be announced in due course.

**11. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

**12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	79,153	66,131
Total	79,153	66,131

The Directors proposed a final exempt (one-tier) ordinary dividend of 2.20 Singapore cents per ordinary share amounting to a total of S\$79,153,411 based on current 3,597,882,320 net issued shares as of 31 December 2023 for the shareholders' approval at the forthcoming Annual General Meeting.

**13. Interested Person Transactions**

Not applicable.

**14. Breakdown of sales by half year and net profit**

	<u>The Group</u>		
	For the financial year ended		
	31 December 2023 S\$'000	31 December 2022 S\$'000	Increase/ (decrease) %
(a) Total income reported for first half year	206,135	174,237	18%
(b) Profit after tax before deducting non-controlling interests reported for first half year	162,515	136,379	19%
(c) Total income reported for second half year	142,299	126,204	13%
(d) Profits after tax before deducting non-controlling interests reported for second half year	40,176	25,623	57%

**15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Not applicable.

**16. Confirmation pursuant to rule 720 (1) of the listing manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

On Behalf of the Board of Directors

Ren Yuanlin  
Executive Chairman

Toe Teow Heng  
Executive Director and Chief Executive Officer

Singapore  
Date: 28 February 2024