



FOR IMMEDIATE RELEASE

Yangzijiang Financial posts net profit of S\$107.4 million for 1H2024, achieves portfolio diversification target ahead of schedule

- Total income was lower at S\$161.4 million for 1H2024 due to decreased debt investments and higher cash holdings in the interim
- The Group is progressively deploying its cash into maritime-related investments and private credit funds in Southeast Asia, particularly in Singapore
- Achieved portfolio diversification target of a 50-50 split between China and Singapore (vs. the 69-31 split as of 31 Dec 2023) with lower debt investments in China at 32% of total AUM as of 30 June 2024 (vs. 40% as of 31 Dec 2023)
- Maritime fund assets grew 62.2% in size since end-2023, having closed deals involving 50 vessels since the fund's inception

Singapore, 13 August 2024 – Yangzijiang Financial Holding Ltd. (“Yangzijiang Financial”, together with its subsidiaries, the “Group”), an SGX Mainboard-listed leading investment management firm, has announced its financial results for the six months ended 30 June 2024 (“1H2024”).

Financial Highlights

S\$'000	1H2024	1H2023	Change
Total income	161,360	206,135	(21.7%)
<i>Interest income – from debt investments in China</i>	71,395	140,800	(49.3%)
<i>Interest income – from cash management activities</i>	35,258	10,753	> 3x
<i>Non-interest income</i>	54,707	54,582	0.2%
Profit before allowances	143,745	190,264	(24.4%)
Profit after allowances	112,829	198,757	(43.2%)
Profit attributable to equity holders (“net profit”)	107,364	162,515	(33.9%)
Diluted earnings per share (S\$ cents)	3.04	4.39	(30.8%)

The Group reported total income of S\$161.4 million for 1H2024, a decline from S\$206.1 million last year. The decrease was primarily attributed to the lower interest income at S\$106.7 million for 1H2024 (vs. 1H2023: S\$151.6 million) due to the lower average proportion of debt investments in China and higher cash and yield enhancement products during the period under review.



This was consistent with the Group's mid-term asset allocation strategy to reduce its debt investments in China. The higher cash and yield enhancement products is transitory as Yangzijiang Financial intends to progressively reallocate some of these liquid assets into maritime-related investments and private credit funds in Southeast Asia, particularly in Singapore.

Non-interest income was relatively flat at S\$54.7 million for 1H2024. Income from maritime assets increased to S\$22.1 million due to the higher average proportion of maritime-related investments during the period. However, the growth was offset by lower contributions from other net changes in fair value of financial assets¹ at S\$25.3 million for 1H2024 (vs. 1H2023: S\$42.2 million).

In tandem with the lower total income, net profit decreased from S\$162.5 million to S\$107.4 million over the same period. Meanwhile, the Group recorded a diluted earnings per share of 3.04 Singapore cents.

Balance Sheet Highlights

S\$ million	30 Jun 24	31 Dec 23	Change
Total assets	4,287.7	4,176.0	2.7%
<i>Debt investments in China</i>	1,318.2	1,603.7	(17.8%)
<i>Maritime fund assets</i>	376.6	232.1	62.2%
<i>Cash and yield enhancement products</i>	1,735.8	1,610.1	7.8%
Total liabilities	217.3	262.5	(17.2%)
Net assets attributable to equity holders of the Company	3,910.8	3,836.1	1.9%
NAV per share (S\$ cents)	111.31	106.62	4.4%

As of 30 June 2024, the Group has achieved its mid-term geographical diversification target ahead of schedule. Its asset under management ("AUM") now sits evenly between China and Singapore at 50-50, compared to a 69-31 split as of 31 December 2023.

Notably, the Group has lowered its debt investments in China as reflected in the 17.8% drop to S\$1.32 billion over the six-month period. This translates to approximately 32% of the Group's total AUM of S\$4.07 billion, nearing its mid-term target of 30%.

Over the same period, the maritime fund assets have grown by 62.2% to S\$376.6 million while cash and yield enhancement products increased 7.8% to S\$1.74 billion.

¹ Derived from derivative financial instruments and venture capital funds



As of 30 June 2024, the Group's NAV per share stood at 111.31 Singapore cents, which was around 4.4% higher than 106.62 Singapore cents as of 31 December 2023. This was attributed to both the growth in net assets attributable to equity holders of the Company as well as the share buyback programme conducted.

Outlook

Following the reduction in debt investments in China, the Group now holds approximately S\$1.71 billion in cash and yield enhancement products, representing 42% of its total AUM as of 30 June 2024. These assets will gradually be allocated to the newly established cash management fund, which was launched in June 2024. The fund is designed to maximize returns through active management as the Group progressively deploys these liquid assets into global investment opportunities.

In the mid-term, Yangzijiang Financial plans to invest up to US\$900 million in maritime-related assets as part of its asset allocation strategy. As of the end of the review period, US\$325 million has already been invested in deals involving 50 vessels worldwide.

This US\$900 million investment includes the Group's existing maritime fund, which has a revised target size of US\$600 million², up from US\$500 million in March 2023 in view of the favourable market outlook.

On 31 May 2024, the Group received shareholders' approval to expand its maritime investments to include finance leases, loan services, joint ventures for ship chartering, and import and export activities. For these new maritime ventures, the Group has set an internal cap of US\$300 million to limit exposure within the industry.

Executive Chairman and CEO of Yangzijiang Financial, Mr. Ren Yuanlin said, "We are pleased with reaching our portfolio diversification target ahead of schedule. The Group now sits in a healthier position with lessened single-country risk. This is especially timely given the economic headwinds in China, especially in the real estate market. At the same time, we are also seeing investment potential across the globe.

Going forward, we are focussing on redeploying more funds into maritime-related investments. Given our entrenched network and deep knowledge in the maritime industry, we are well-equipped to recognise attractive prospects and successfully execute deals in this space. Our niche in maritime investments will give us an edge and set us apart from the rest of the players in the investment management industry, opening up doors for more growth opportunities in the future."

- End -

² Including third-party funds



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About Yangzijiang Financial Holding Ltd.

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

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