

# YANGZIJIANG FINANCIAL HOLDING LTD.

Company Registration No: 202143180K  
(Incorporated in the Republic of Singapore)

## MINUTES OF ANNUAL GENERAL MEETING

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Date and time	:	Wednesday, 24 April 2024 at 2.00 p.m.
Place	:	Big Picture Theatre, Level 9, Capital Tower, 168 Robinson Road, Singapore 068912
Present	:	Please see attendance list attached hereto.
In Attendance	:	Please see attendance list attached hereto.

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### CHAIRMAN

Mr Ren Yuanlin (“**Mr Ren**”), the Chairman of the Meeting (the “**Chairman**”) welcomed the shareholders (the “**Shareholders**”) to the Second Annual General Meeting (the “**Meeting**”) of Yangzijiang Financial Holding Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”).

Mr Toe Teow Heng (“**Mr Toe**”), the Chief Executive Officer (“**CEO**”) and Executive Director of the Group, was invited to preside over the Meeting on behalf of Mr Ren. Mr Toe expressed his appreciation for the Shareholders’ attendance at the Meeting.

### QUORUM

As a quorum in accordance with the Group’s Constitution (the “**Constitution**”) was present, Mr Toe called the Meeting to order.

### INTRODUCTION

Mr Royston Tan (“**Mr Royston**”), the emcee of the Meeting, introduced the Directors of the Group (the “**Directors**”), key management personnel of the Group and relevant parties present at the Meeting.

Before proceeding to the business of the Meeting, Mr Royston invited Mr Ren and Mr Toe to deliver their speeches to the Shareholders.

### SPEECH BY THE EXECUTIVE CHAIRMAN

Mr Ren expressed that it is his honour to address Shareholders as the Executive Chairman of the Group at this Meeting. Mr Ren conveyed that 2023 was a challenging year for the Group. Faced with a complex environment of slowing global economic growth, high interest rates and inflationary pressures, the Group remains firmly committed to create a more diversified, cross-geographic investment portfolio to maximise its risk-adjusted returns for Shareholders.

Management had undergone senior management changes in 2024 with former CEO Mr Toe leaving after this Meeting and Mr Ren will serve as Executive Chairman and CEO aided by Ms Liu Hua as the deputy CEO and Chief Financial Officer (“**CFO**”) of the Group. The Group and Board would like to take the opportunity to express their gratitude and appreciation to Mr Toe for his efforts and contributions during his tenure at the Group. Mr Toe’s departure does not mean the end of the collaboration. On the contrary, the

Group is looking forward to working closely with the ICH Group, led by Mr Toe in the areas of fund and wealth management. Together, both organizations can benefit from this synergy.

To actively resolve the risks relating to the domestic real estate business, the Group has established a dedicated team tasked with resolving all Non-Performing Loans (“NPL”), consisting of legal affairs and relevant professionals that will actively seek the recovery of the outstanding NPLs. China's real estate market remains challenging, but on the bright side, the Chinese government has launched a series of support policies which aim to stabilize the country's real estate industry. These policies include increasing infrastructure investment, promoting urbanization and providing liquidity through policy loans and the issuance of special securities. The Group hopes that these measures will aid in the real estate market recovery. At the same time, relying on the efforts of its newly established dedicated team, the Group will strive to resolve one third of its NPLs by the end of 2024, and all outstanding NPLs within the next 3 years.

In 2024, the Group further improved its investment strategy and asset allocation and achieved good performance. When the Company was listed on 28 April 2022, the Group had committed to Shareholders that 40% of its annual profits would be distributed as dividends. This year, the Group will distribute a dividend of SGD 0.022 per share, an increase of 22% from last year's SGD 0.018 per share. The Group will continue to pay dividends every year to bring sustainable long-term returns for its investors.

The Group had also targeted an asset allocation of 50% in China and 50% outside China within three years of listing. Mr Ren is pleased to announce that the Group has achieved this goal one year ahead of schedule. Looking ahead, the Group will use Singapore as a base to source for new investment opportunities in Asia and beyond.

The Group has transferred 50% of its cash from China to be progressively deployed overseas, and currently sits on a large amount of cash on hand. The Group will actively source for safe and suitable investment opportunities while maximising returns through its cash management solutions in the meantime.

At present, the Group mainly engages in two major businesses: one is the maritime funds. Utilizing nearly seventy years of shipbuilding experience, human resource capabilities, and combining with the Group's financial strength, the Group will engage in four forms of structure: 1) investment, 2) financing, 3) leasing, and 4) agency services to make the unique maritime fund bigger and stronger, with a target AUM of US\$1 billion.

The Group's second major business is its domestic and overseas investment business. The Group will fully maximise both its domestic and overseas capital strength, while cooperating with professionals to provide services in the three stages 1) cultivation and incubation, 2) maintenance and development, 3) bankruptcy and reorganization of domestic and foreign listed companies, with a target capital allocation of US\$500 million.

The Group believes that share buyback is also an important measure to improve shareholder return. The Group will consider available surplus cash, stock price levels and market conditions, and continue to repurchase shares when conditions are suitable.

Finally, Mr Ren expressed his gratitude and appreciation to all Shareholders for their trust and support in the Group. The Group will always prioritise creating value for Shareholders and look forward to a brighter future for the Group.

## **SPEECH BY THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR**

In 2023, the global economy faced significant challenges, including decelerating growth, high inflation, rising interest rates, and geopolitical tensions.

The economic outlook for 2024 remains cloudy, with escalating operational risks and potential disruptions to global supply chains due to lingering geopolitical conflicts. Higher-for-longer interest rates in the US and Europe could also continue to crimp external demand.

The Group has made significant strides in realising its vision of becoming Asia's leading investment manager over the past year. In 2023, the Group established a partnership with Singapore-based Tahan Capital Management Pte Ltd and Temasek's Heliconia to invest in private markets in Asia. The Group also set up a partnership with Singapore-headquartered global private market exchange ADDX for the distribution of the Group's capital markets products.

The Group's Maritime Fund target size has been enlarged from the original US\$500 million to US\$600 million, with around US\$300 million already earmarked for investments into eco, modern, efficient, and highly marketable maritime assets. In August 2023, the Group joined forces with Cetus Maritime to set up a strategic asset acquisition venture, aiming to acquire between four to eight modern, eco-designed Handysize vessels that will be operated worldwide.

The Group's commitment to financial prudence and strategic foresight has positioned it well to capitalise on emerging opportunities in the ever-changing economic landscape. Following Mr Toe's impending departure, the Group has made adjustments to its senior management team, with Mr Ren taking on the role of CEO and Ms Liu Hua as deputy CEO.

Mr Toe expressed his gratitude to all business partners and Shareholders for their continued trust and support, as well as the board of directors, management team, and employees for their diligence, perseverance, and dedication amidst a challenging macro environment.

## **VOTING BY WAY OF POLL**

Mr Royston informed the Shareholders that all resolutions at the Meeting will be put to vote by way of a poll in line with the requirements of the SGX-ST and the Group's commitment towards promoting greater corporate transparency.

## **ADVANCE QUESTIONS FROM SHAREHOLDERS**

Mr Royston further informed that the Group had invited the Shareholders to submit their advance questions by 17 April 2024. The Group has received pre-submitted questions from the Shareholders and the Group's responses to the questions were presented at the Meeting as following:

**1. YZJ Financial has experienced unusually high senior management turnover. Why is the team facing such high senior management turnover? Did the Group face any difficulties managing legal and compliance issues, especially those related to cross-border transactions?**

The Group is aware that the impending departure of Mr Toe, the Group's CEO, Mr Koh Boon Chiao, the Group's General Counsel and the restructuring of several senior management positions such as Chief Risk Officer and Chief Investment Officer roles, have caused some concerns. The Group would like to update all Shareholders that its risk and compliance functions have now been merged under one centralized department under Compliance to achieve a more robust risk management outcome and improve its overall operational efficiencies. In addition, the risk management responsibilities of the Group's investment committee will be made more explicit. The Group is not facing any regulatory, legal or compliance issues.

**2. China's property sector continues to face headwinds. Can the Group quantify the Group's exposure to the China property sector? How much is its exposure to China's property sector? What percentage of its loan books are property-related? How much and what percentage of its collateral are real estate assets?**

Debt investment in China currently accounts for 40% of the Group's AUM, of which approx. 38% or SGD609 million is directly loaned to the China property sector. The collaterals covering this loan amount is in excess of 100%. Specifically, out of the SGD821 million of under-performing and non-performing loans as of end-2023, SGD414 million is related to the China property sector.

**3. Can the Group provide more details on its newly launched Maritime Fund?**

The Fund manages a diversified portfolio of 37 ships. This mix aims to optimise returns, with the Fund demonstrating a strategic balance between owned and leased assets to enhance profitability. The Fund is currently experiencing an upward trajectory in business momentum, but the Group remains cautious, only deploying capital into new projects that meet its stringent risk-adjusted return benchmark. The Group intends to only underwrite projects that can generate not less than 8% return on equity, net of expense, for the Fund. The Group intends to distinguish itself by focusing on niche market segments, such as renovating and financing older ships, areas typically overlooked by traditional banking institutions due to perceived elevated risks.

**4. Will the Group continue its share buyback activities?**

The decision for any listed Group to continue or halt share buyback activities is typically based on a careful evaluation of the Group's financial priorities and objectives. The Group will continue to repurchase its own shares at the opportune moments, after taking into account the prevailing market conditions and other relevant factors and under appropriate circumstances. Additionally, the Group is seeking to renew its share repurchase mandate at the Meeting.

**5. The Group has a significant net cash position, surpassing S\$1.41 billion. How does the Group intend to utilise this cash?**

The Group is constantly assessing potential investment opportunities with a focus on investments that provide a sufficient degree of safety and decent returns. Additionally, the Group is looking to enhance shareholder value through measures such as share buybacks and share retirement, alongside a commitment to distribute sustainable dividends. The Group is committed to paying out 40% of its annual earnings in dividends.

Mr Royston informed the Shareholders that the above Q&A would be published on the website of the Group and invited questions from the Shareholders present at the meeting. The questions raised and answers by the Group are annexed hereto in Appendix A.

Mr Royston invited Mr Toe to proceed with the agenda of the Meeting.

**NOTICE OF MEETING**

The Notice dated 9 April 2024 convening the Meeting, having been in the hands of the Shareholders for the requisite period, with the concurrence of the Meeting, was taken as read.

Mr Toe informed the Shareholders that the resolutions tabled at the Meeting would be decided by poll based on proxy votes received before the Meeting and live votes at the Meeting. He also informed the Shareholders that in the capacity of the Chairman of the Meeting, the Chairman had accepted the appointment as proxy by the Shareholders and he would be voting in accordance with their instructions if valid instructions had been given in the proxy form.

Mr Toe further informed that the Company had appointed Boardroom Corporate & Advisory Services Pte. Ltd. as Polling Agent and Sino Lion Communications Pte. Ltd. has been appointed as scrutineers for the polls at the Meeting. A video explaining the procedures of the electronic poll voting was played during the Meeting and a test resolution to familiarise Shareholders with the electronic poll system took place.

**ORDINARY BUSINESS:**

**RESOLUTION 1:**

**AUDITED FINANCIAL STATEMENTS AND DIRECTORS' STATEMENT TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT.**

The first item on the agenda was to receive and adopt the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Independent Auditors' Report. The Annual Report of the Company which comprises the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Independent Auditors' Report thereon, has been circulated to the Shareholders for the requisite period.

The following ordinary resolution has been duly proposed and seconded:

*"That the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Directors' Statement and Independent Auditors' Report, thereon be hereby received and adopted."*

Ordinary Resolution No. 1 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	2,154,383,941	99.99%
Against	166,100	0.01%

By majority votes received in favour of the resolution, the resolution was duly carried.

**RESOLUTION 2:**

**DECLARATION AND PAYMENT OF TAX EXEMPT (ONE-TIER) FINAL DIVIDEND**

The second item on the agenda was to approve the payment of a tax exempt (one-tier) final dividend of S\$0.022 per ordinary share in respect of the financial year ended 31 December 2023.

The following ordinary resolution has been duly proposed and seconded:

*"That the payment of a tax exempt (one-tier) final dividend of S\$0.022 per ordinary share in respect of the financial year ended 31 December 2023, be and is hereby approved."*

Ordinary Resolution No. 2 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	2,156,285,141	99.99%
Against	166,100	0.01%

By majority votes received in favour of the resolution, the resolution was duly carried.

**RESOLUTION 3:  
PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The third item on the agenda was to approve the payment of S\$288,000 as Directors' fees in respect of the financial year ended 31 December 2023.

The following ordinary resolution has been duly proposed and seconded:

*"That the payment of S\$288,000 as Directors' fees in respect of the financial year ended 31 December 2023, be and is hereby approved."*

Ordinary Resolution No. 3 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	2,152,606,541	99.84%
Against	3,382,100	0.16%

By majority votes received in favour of the resolution, the resolution was duly carried.

**RESOLUTION 4:  
RE-ELECTION OF MR REN YUANLIN AS DIRECTOR**

Item 4 of the agenda was to approve the re-election of Mr Ren Yuanlin as Director. Mr Ren Yuanlin who was retiring under Regulation 98 of the Constitution, had signified his consent to continue in office and being eligible, he has offered himself for re-election.

Upon re-election as a Director, Mr Ren Yuanlin would remain as the Executive Chairman of the Company and be appointed as the Chief Executive Officer of the Company.

The following ordinary resolution has been duly proposed and seconded:

*"That Mr Ren Yuanlin, who retires pursuant to Regulation 98 of the Company's constitution, be hereby re-elected as a director of the Company."*

Ordinary Resolution No. 4 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	1,283,392,395	98.46%
Against	20,033,421	1.54%

By majority votes received in favour of the resolution, the resolution was duly carried.

**RESOLUTION 5:  
RE-ELECTION OF MR YEE KEE SHIAN, LEON AS DIRECTOR**

Item 5 of the agenda was to approve the re-election of Mr Yee Kee Shian, Leon as Director. Mr Yee Kee Shian, Leon who was retiring under Regulation 98 of the Constitution, had signified his consent to continue in office and being eligible, he has offered himself for re-election.

Upon re-election as a Director, Mr Yee Kee Shian, Leon would remain as the Chairman of the Nominating and Remuneration Committees and a Member of the Audit and Risk Committee.

Mr Yee is considered independent for the purpose of Rule 704(8) of the Listing Manual.

The following ordinary resolution has been duly proposed and seconded:

*“That Mr Yee Kee Shian, Leon, who retires pursuant to Regulation 98 of the Company’s constitution, be hereby re-elected as a director of the Company.”*

Ordinary Resolution No. 5 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	1,938,653,159	89.91%
Against	217,541,082	10.09%

By majority votes received in favour of the resolution, the resolution was duly carried.

**RESOLUTION 6:  
RE-APPOINTMENT OF AUDITORS**

Item 6 of the agenda was to re-appoint the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The retiring auditors, Messrs PricewaterhouseCoopers LLP, had expressed their willingness to continue in office.

The following ordinary resolution has been duly proposed and seconded:

*“Messrs PricewaterhouseCoopers LLP be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors.”*

Ordinary Resolution No. 6 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	2,147,776,315	99.65%
Against	7,544,926	0.35%

By majority votes received in favour of the resolution, the resolution was duly carried.

**SPECIAL BUSINESSES:  
RESOLUTION 7:  
AUTHORITY TO ALLOT AND ISSUE SHARES**

Mr Toe informed the Shareholders that they have come to the special business of this Meeting. Resolution 7 was to seek the Shareholders' approval to grant authority to the Directors to issue shares pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the SGX-ST.

The following ordinary resolution has been duly proposed and seconded:

*"That:*

*(a) pursuant to Section 161 of the Companies Act 1967 (the "Act") and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:*

- (i) issue ordinary shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or*
- (ii) make or grant offers, agreements, or options (each an "Instrument") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into Shares; and/or*

*at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and*

*(b) issue Shares in pursuance of any Instruments made or granted by the Directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),*

*provided that:*

- (1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (as calculated in accordance with paragraph (2) below);*
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares shall be based on the issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time such authority was conferred, after adjusting for:*
  - (a) new Shares arising from the conversion or exercise of any convertible securities or the exercising of share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and*
  - (b) any subsequent consolidation or subdivision of the Shares;*
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and otherwise, and the Constitution of the Company for the time being; and*



- (4) *(unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.*"

Ordinary Resolution No. 7 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	1,965,915,885	91.18%
Against	190,126,356	8.82%

By majority votes received in favour of the resolution, the resolution was duly carried.

#### **RESOLUTION 8: RENEWAL OF SHARE PURCHASE MANDATE**

The last item on the agenda was to seek the Shareholders' approval for the renewal of the general and unconditional mandate given to the Directors to purchase or otherwise, acquire the shares of the Company on the terms of such mandate.

Mr Toe advised the Shareholders that Mr Ren Letian, Mr Ren and the parties acting in concert with them should abstain from voting the resolution 8 and declined to accept appointment as proxies for any shareholder to vote in respect of the said resolution unless the shareholders concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the resolution.

The following ordinary resolution has been duly proposed and seconded:

*"THAT:*

- (a) *for the purposes of the Act and the Listing Manual of the SGX-ST, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined) during the Relevant Period (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:*
- (i) *on-market purchases ("**Market Purchases**") transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or*
- (ii) *off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act, and otherwise in accordance with all other provisions of the Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "**Share Purchase Mandate**");*
- (b) *unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:*

- (i) the date on which the next Annual General Meeting of the Company is held or required by law or the Constitution to be held;
- (ii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by the shareholders of the Company in a general meeting;

(c) in this Resolution:

**“Prescribed Limit”** means that number of Shares representing 10% of the issued ordinary share capital as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered;

**“Relevant Period”** means the period commencing from the date on which the Annual General Meeting at which this Resolution is passed and expiring on the date the next Annual General Meeting is held or is required by law or the Constitution to be held, whichever is the earlier, after the date of this Resolution; and

**“Maximum Price”** in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme: 120% of the Average Closing Price,

where:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period; and

**“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.”

Ordinary Resolution No. 8 was then put to vote by poll.

The results of the poll for the motion were as follows:

Votes	No. of Votes	Percentage
For	1,136,807,596	99.95%
Against	554,039	0.05%

By majority votes received in favour of the resolution, the resolution was duly carried.

## **CONCLUSION**

There being no other business to transact, the Mr Toe declared the Meeting closed at 4.00 p.m. He thanked all Shareholders for their attendance and support.

Confirmed as True Record of Proceedings

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**Ren Yuanlin**  
Chairman of the Meeting

**APPENDIX A:  
QUESTIONS AND ANSWERS DURING THE ANNUAL GENERAL MEETING HELD ON 24 APRIL 2024**

**QUESTION 1:**

**A shareholder raised queries regarding the meaning behind the current Group's logo, which features two keys and whether the Group had considered incorporating a third key in the logo.**

The Chairman of the Meeting, Mr Ren responded that the logo was meticulously designed featuring two golden keys with one of the keys incorporating a grain design to symbolise the Group's commitment to maximising returns for Shareholders. Mr Ren appreciated the shareholder's feedback and welcomed any proposed fresh logo designs from Shareholders for the Group's consideration.

**QUESTION 2:**

**A shareholder noted that Mr Ren had commented previously that he may consider leaving Singapore in 2025 and enquired if Mr Ren's plan to exit Singapore has changed.**

The Chairman explained that his previous comment about leaving Singapore was due to Singapore's relatively small population and land size. The comment on the size is no longer applicable given that there is a high influx of capital and talent from Hong Kong, China, and other countries. Mr Ren opined that Singapore has overtaken Hong Kong to become Asia's top financial centre. Mr Ren informed Shareholders that he will not be leaving Singapore and on the contrary, plans to increase the frequency of his visits to Singapore.

**QUESTION 3:**

**A shareholder noted that the Group's adopted a conservative strategy for loans and was concerned of the non-performing loans ("NPLs") despite that the Group obtained land collaterals. The shareholder enquired if the NPLs was caused by the depreciation or write down of land collaterals during the property downturn in China.**

The Chairman explained that during China's property peak around year 2000, individual land owners could afford the high-interest payments. The Group had adopted a conservative approach to assess and provide loans. An example is that a potential borrower would provide property or land valued at \$10 million as collateral and the Group would offer a \$6 million loan at 12% interest per annum taking the property/land as collateral. The unexpected impact of the COVID-19 pandemic severely affected the China property market and the valuation of the collateral had depreciated drastically, resulting in the loans being reclassified as NPLs.

**QUESTION 4:**

**A shareholder sought clarifications about the performance of the investment in derivative financial instruments in 2023, which was disclosed in the Annual Report on Page 116 under Note 18 of the financial statement as such instruments are perceived to be comparatively higher risk than other investment.**

The CFO of the Company, Ms Liu Hua responded that the shareholder had correctly pointed out that derivative financial instruments can be of high-risk in the hands of the less financially savvy who do not fully understand the instruments' characteristics. However, these types of products are commonly deployed in financial institutions and can be used to hedge currency positions and enhance investment yield, particularly in relation to the Group's operations in Singapore.

**QUESTION 5:**

**A shareholder enquired about the discrepancy in the returns of the segment assets between the Singapore income and China income which are approximately 4.1% and 10.3% respectively, as disclosed under the segment information in the Annual Report on Page 145 under Note 33 of the financial statement.**

Ms Liu Hua emphasised the Group's commitment to gradually transfer assets from China to Singapore. Over the last year, the Group successfully transferred its liquidated financial assets in China, mostly denominated in CNH into Singapore. The CNH transferred into Singapore were converted into USD progressively as the deposit interest rates for CNH were relatively low at about 2-3% compared to the higher interest rates offered in USD. Consequently, the Singapore operation generated a lower return compared to the higher yielding debt investments in China. Nevertheless, the Group has put in place actions to improve its returns by deploying some forward products and currency options instead of simply placing funds in deposits.

**QUESTION 6:**

**A shareholder raised concerns about the Group's decision to buy back shares at around S\$0.32 over the past 6 months despite the Net Asset Value ("NAV") likely being around S\$1.05 which may give the impression to the market that \$0.32 is the Group's true value. The shareholder questioned whether the share buyback price was the reason that the shares continue to be traded at a distress level of around S\$0.32.**

The Chairman clarified that the decision to buy back shares at \$0.32 was driven by a 7% return to Shareholders through its dividends which he deems reasonable in current market conditions. Should the share price fall below \$0.32, the Group may consider to continue its buyback shares activities for cancellation.

Mr Ren expressed his opinion for the reasons behind the current price of the Group's shares:

1. The investors in the Singapore stock market are primarily focused on investments rather than speculation which are more common for stock markets in Hong Kong, China, or the United States.
2. Mr Ren observed Shareholders have concerns about the Group's NPLs in particular to those in relation to the China property sector. The Group adopts a prudent strategy in determining the performance of loans. The Group will increase provisions if the loans are deemed to be non-performing. Mr Ren further commented that NPLs do not necessarily mean zero recovery.
3. The market had benchmarked the Group against the banking stocks, which influenced the share price. Mr Ren emphasised that the Group is not a bank and the Group has multiple avenues for generating revenue. The Group's vision is to become the leading financial investment manager in Asia. He noted the Group could leverage on its advantages in the maritime industry to maximise its returns for the Maritime Fund. Mr Ren expressed confidence in the Maritime Fund to bring profitability to Shareholders in the next two years.

**QUESTION 7:**

**A shareholder noted that the Group's USD commitment of S\$721 million and the currency contracts totalling S\$1.757 billion, as indicated under the category of currency risk in the annual report on Page 128. The shareholder questioned if the currency contracts are a defensive risk hedging policy or a strategy by the Group to generate exchange gains from the currency contracts.**

Ms Liu Hua explained that the Group aims to diversify half of its assets from China to Singapore for deployment. This involves substantial amounts of currency conversion from CNH to USD, which requires derivative contracts to convert the CNH into USD at suitable rates. These derivative contracts mainly serve as a defensive policy to facilitate the conversion of CNH to USD.

**QUESTION 8:**

**A shareholder expressed concern about the continuous drop in the Group's share price since its listing on 28 April 2022, resulting in significant losses for most Shareholders and asked the management for a more aggressive approach to share buybacks to bolster the share price as the Group current has a large cash balance position.**

The Chairman responded that the Group has been actively repurchasing shares but fluctuations in share price are beyond the Group's control. He explained that the Group's NAV was S\$1.04 per share during the spin-off but the Singapore stock market did not agree with the valuation. Coupled with various concerns of the NPLs, the share price declined further. When the share price reached \$0.32, the Group significantly increased its share buyback activities. The cash in the balance sheet is earmarked for the Group's future development. Mr Ren urged Shareholders to remain patient, acknowledging the uncertainty surrounding future share price movements and assured that the Group will take actions to improve growth.

**QUESTION 9:**

**A shareholder enquired whether the Group has contemplated declaring dividends semi-annually.**

The Chairman responded that the Group would continue to declare its dividends annually, and placed emphasis on the rate of return rather than the frequency of dividends. The Group aims to maintain a strong cash position and utilise its funds efficiently to maximise returns for Shareholders.

**QUESTION 10:**

**A shareholder commented on the perception of the Singapore public regarding the Group's performance. The shareholder noted the significant NPLs accumulated over the last year and questioned whether the dedicated team is facing challenges in collecting these NPLs. The shareholder suggested that the Group instil confidence in the investing public regarding the quality of borrowers and demonstrate management's proactive stance to prevent further declines in the share price, alleviating investor concerns.**

The Chairman emphasised that the decline in share price is partly due to concerns about the Group's NPLs in the real estate sector. Mr Ren explained that the Group's loans are secured with collaterals and the collateral value may decline, but the value would not diminish entirely. Mr Ren outlined two possible solutions to such instances when collateral value had declined significantly. The Group can either allow the lender time to repay the loans at a lower interest rate or initiate court proceedings to take possession of the collaterals. Mr Ren emphasised that the Group adopts a conservative and prudent strategy in monitoring NPLs and making provisions for potential NPLs. The Chairman highlighted that making provisions does not necessarily mean that these NPLs will become bad debts.

The Chairman noted the shareholder's suggestion with thanks.

**QUESTION 11:**

**A shareholder raised concerns about the financial statement's handling of the significant currency translation due to the presentation of the currency in SGD. With the Group's operations split evenly between Singapore and China, the shareholder questioned the presentation currency going forward.**

Ms Liu Hua explained that at the time of spin-off, the Group's strategy was clear that the Singapore office would serve as the head office, which led to the adoption of SGD as the presentation currency. Most of the operations were in China at the time of spin-off, which resulted in significant currency translation differences. As more funds flow into Singapore and are converted into USD or SGD, the translation differences are expected to diminish over time.

The Chairman proposed presenting the financial statements in both SGD and RMB for the Shareholders' reference going forward.

**QUESTION 12:**

**A shareholder noted 50% of the NPLs relate to real estate sector and enquired about the composition of the remaining 50% of NPLs.**

Ms Liu Hua responded that majority of the NPLs are related to real estate with the remaining coming from various sectors such as manufacturing, trading and service industries. Ms Liu Hua further highlighted that the collateral for NPLs primarily consists of land and shares.

**QUESTION 13:**

**A shareholder raised a query on the reason for the slower deployment of cash in Singapore.**

Ms Liu Hua explained that the Group has initiated a cash transfer process into Singapore resulting in the "cash drag". The Group is converting cash into USD at a favourable rate, aiming for a return of at least 5-6% on the USD.

The Group has a private credit investment arm, and is actively seeking suitable projects for the deployment of cash. About half of the Group's assets had been transferred to Singapore which represents a significant sum of cash that cannot be deployed rapidly as appropriate projects need to be identified for investment.

Ms Liu Hua emphasised the importance of being prudent in making any investment decisions, as rushing into investments without robust due diligence may lead to unfavourable outcomes. She reassured Shareholders that the Group aims to achieve sustainable profits over the long term.

Ms Liu Hua informed Shareholders that the Chairman is also involved in identifying maritime projects which leverages his extensive network to seize such opportunities. Ms Liu Hua further apprised that the process of identifying, conducting due diligence, and finalising projects typically takes 4-6 months.

**QUESTION 14:**

**A shareholder enquired about the potential impact of de-dollarisation resulting in a potential crash of USD to the Group.**

The Chairman responded that the Group has decided to allocate half of its assets from China to Singapore amid worsening market conditions in China and Hong Kong. A dedicated team consisting of legal and business professionals was established in China with the objective of recovering all outstanding NPLs within

the next 3 years. While the current operations are predominantly in China, the Group seeks to establish a stronger business presence in Singapore while exploring global opportunities. The Maritime Fund remains the Group's primary focus, with transactions conducted globally and denominated in USD. Although the Group does not hold significant cash reserves, it does not seek financing from banks. However, financing from banks can still be considered for any project(s) if it can improve its risk-adjusted returns.

**QUESTION 15:**

**A shareholder questioned whether the Group is aware of the short-selling of its shares.**

Mr Toe replied that the Group is unaware of any short-selling of its shares.

**QUESTION 16:**

**A shareholder expressed concerns regarding the Group's capabilities to generate future revenue and the utilisation of its funds to sustain dividend payouts for Shareholders. The shareholder sought clarification on the disparity between the Maritime Fund's targeted size of S\$600 million and its current size of S\$180 million. The shareholder also sought clarification on the private credit investments and their return rates, as indicated in the FAQ announcement released on 21 March 2024.**

The Chairman thanked the shareholder for the question and given the granularity and the extensive details required to answer the question, the Chairman recommended the shareholder to discuss specific details with the CFO and the private credit team after the Meeting.

**QUESTION 17:**

**A shareholder queried the rationale behind the Group's decision to allocate only 50% of its assets from China to Singapore, and questioned if there were constraints imposed by the Chinese government preventing a larger allocation to Singapore.**

The Chairman responded it was management's decision to transfer 50% of the assets from China to Singapore at the time of the spin-off, and there is always an option to transfer more assets to Singapore when the need arises. The Chairman highlighted that there are tax implications of around 6.2% when transferring funds to Singapore. The Group has not completely halted investment activities in China and will deploy some funds to suitable projects in China.

**QUESTION 18:**

**A shareholder raised a question regarding a previous announcement made by the Group on 11 May 2022, stating that the wholly-owned subsidiary, GEM Asset Management Pte Ltd ("GEM"), had signed an investment advisory agreement with a family office to provide investment advisory services for an AUM of approximately S\$500 million. He inquired about any subsequent updates on this business, particularly regarding its returns and performance, and whether this business venture is still ongoing.**

Mr Toe explained that the Group is the advisor to the family office and funds had been deployed into the Group's maritime fund and direct investment fund.



**QUESTION 19:**

**A shareholder enquired whether the Group foresees achieving a higher Return on Equity in FY2025, potentially resulting in higher dividends for investors in the coming year.**

The Chairman responded that the Group is striving to achieve strong performance, aiming for sustainable long-term returns with the goal of distributing 40% of annual profits as dividends to Shareholders.

**QUESTION 20:**

**A shareholder questioned whether the Group has a pessimistic outlook on its performance, noting that last year, shares were bought back at 36–38 cents, while this year, they are being bought back at 31–32 cents. The shareholder also questioned why the Group did not engage in more aggressive share buybacks.**

The Chairman explained the Group's share price is affected by the concerns on its NPLs and the Group has undertaken substantial share buyback activities. There are regulations imposed by the SGX whereby the Group can only repurchase a maximum of 10% of the total number of shares and the Group will seek Shareholders' approval for renewal if the share buyback mandate at this Meeting.

**QUESTION 21:**

**A shareholder further enquired if the Group' has plans or countermeasures regarding the weakening of the USD and whether the Group intends to deploy its assets in other currencies.**

The Chairman responded that the Group's asset deployment strategy revolves around three main currencies: RMB, SGD, and USD. RMB is the primary currency for the Group's operations in China, SGD serves as the basis for dividends, and USD is the main currency for the Maritime Fund. There is no intention to adopt other currencies at this moment.

**QUESTION 22:**

**A shareholder raised concerns about corporate failures and inadequate auditing standards in China. Given the Group's numerous joint ventures and subsidiaries in China, the shareholder enquired about how the auditors in Singapore ensure that the auditors in China adhere to high auditing standards.**

The Partner of PricewaterhouseCoopers LLP, Mr Darren Lim responded that the audit had been carried out in accordance with the Singapore auditing standards whereby one of the audit standards requires the Singapore auditor to gain comfort as the signing audit firm on the overseas numbers reported to Management. PricewaterhouseCoopers LLP is satisfied that the reported numbers are in compliance with these standards.

**QUESTION 23:**

**A shareholder enquired about the number of shares the Company repurchased in 2023 and the total number of treasury shares currently held by the Company.**

Ms Liu Hua responded that up to FY2023, the Company repurchased approximately 300 million shares (Actual: 352.71 million shares), and approximately 100 million shares (Actual: 84.57 million shares) at around \$0.33 per share in 2024 as at the date of the Meeting. The Company held 160,664,700 treasury shares as at the date of the Meeting.