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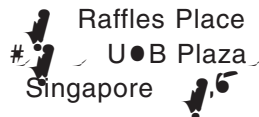
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No person is authorised to give any information or to make any representation not contained in this Document and any information or representation not so contained must not be relied upon as having been authorised by our Company or CLSA Singapore Pte Ltd the **Issue Manager** or **CLSA**. The delivery of this Document shall not under any circumstances imply that the

Copies of this Document may be obtained on request subject to availability during office hours from

CLSA Singapore Pte Ltd



A copy of this Document is also available on the SGX ST's website at <http://www.sgx.com>

NOTICE TO CPFIS INVESTORS

No further action is required by investors **CPFIS Investors** who have subscribed for or purchased ordinary shares in the issued share capital of YSL the **YSL Shares** using their Central Provident Fund **CPF** account savings under the CPF Investment Scheme **Ordinary Account CPF Funds** in order to receive the Shares. In the case of YSL Shareholders who have purchased YSL Shares using their CPF Funds, entitlements to the Shares will be determined based on the number of YSL Shares standing to the credit of their respective investment accounts with the CPFIS Agent Banks as at the Books Closure Date as defined herein.

Following the Books Closure Date as defined herein, The Central Depository Pte Limited **CDP** will credit the relevant securities account at the CPFIS Agent Banks with the relevant number of Shares. The respective CPFIS Agent Banks will notify the relevant YSL Shareholders of the credit and such YSL Shareholders are advised to consult their CPFIS Agent Banks as to the crediting status of their Shares in their respective securities accounts as CDP will not be sending any notifications to such YSL Shareholders.

If the Distribution as defined herein is approved by the YSL Shareholders, CPFIS Investors may, subject to applicable CPF rules and regulations, use their CPF Funds to purchase Shares traded on the Mainboard of the SGX-ST.

DISTRIBUTION RESTRICTIONS

There is no offering of any of the Shares in connection with the Introduction in Singapore or elsewhere and recipients of this Document and all prospective investors in the Shares should not take the Introduction or this Document to be an offer of or an invitation to subscribe for or purchase any Shares. This Document may not be used for the purposes of and does not constitute an offer or invitation in any jurisdiction.

No action has been or will be taken in any jurisdiction against any person in connection with the

PRC

As our Company is not incorporated in the PRC as defined herein and the proposed distribution of the Shares pursuant to the Distribution and the Introduction will proceed outside the territory of the PRC the Securities Law of the PRC (Revision) (the **Securities Law**) does not apply to such Distribution given that it is not an issuance of stocks within the PRC regulated under the Securities Law and such Distribution does not constitute a public offering under the Securities Law. Accordingly, the Introduction does not require prior approval from the China Securities Regulatory Commission.

For the receipt of distributed Shares, eligible YSL Shareholders residing in the PRC may be subject to the relevant registration filing obligations such as procedures required under the Circular of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control for Overseas Investment and Financing and Round tripping Investment by Domestic Residents through Special Purpose Vehicles (Hui Fa No. 37) (the **No. 37 Circular**) Circular of the State Administration of Foreign Exchange on the Relevant Issues Concerning the Administration of Foreign Exchange for Domestic Individuals' Participation in Equity Incentive Programs of Overseas Listed Companies (Hui Fa No. 7) (the **No. 7 Circular**) if applicable. Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Administration Policies of Foreign Direct Investment (Hui Fa No. 13) (the **No. 13 Circular**) if applicable.

These forward looking statements including without limitation statements as to

- a our revenue and profitability
- b projections of capital expenditures in general and other financial items
- c any expected growth in demand
- d other expected industry trends and developments
- e anticipated expansion plans and development plans and
- f other matters discussed in this Document regarding matters that are not historical fact

are only predictions. Forward looking statements reflect our current views with respect to future events and are not guarantees of future performance. These statements are based on our beliefs and assumptions which in turn are based on currently available information. Although we believe the assumptions upon which these forward looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward looking statements based on these assumptions could be inaccurate.

These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward looking statements. These risks, uncertainties and other factors include, in no particular order of priority and amongst others, the following:

- a changes in political, social, economic, business and financial conditions and stock or securities market conditions and the regulatory environment in Singapore and other jurisdictions in which we conduct business or expect to conduct business
- b wars or acts of international or domestic terrorism
- c occurrences of natural disasters, catastrophic events, outbreaks of communicable diseases and acts of God that affect our business or properties
- d changes in government regulations and their interpretation
- e our inability to implement our business strategies and future plans
- f our inability to realise our anticipated growth strategies and expected internal growth
- g changes in the availability and prices of our products and services
- h changes in customer demand or preferences
- i changes in competitive conditions and our ability to compete under such conditions

- I changes in the costs associated with environmental health and safety and security measures

NOTICE TO INVESTORS

on those statements which apply only as at the date of this Document. Neither our Company, the Issue Manager nor any other person acting on our or their behalf represents or warrants to you that our Group's actual future results, performance or achievements will be as discussed in those statements.

All forward looking statements by or attributable to our Company or persons acting on our behalf contained in this Document are expressly qualified in their entirety by such factors. Our actual results may differ materially from those anticipated in these forward looking statements as a result of the risks faced by us. Further, our Company and the Issue Manager disclaim any responsibility to update any of those forward looking statements or publicly announce any revisions to those forward looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

CERTAIN TERMS AND CONVENTIONS

In this Document, references to our **Company** are to Yangzijiang Financial Holding Ltd, and unless the context otherwise requires, the terms **we**, **us**, **our** and **our Group** refer to Yangzijiang Financial Holding Ltd and its subsidiaries taken as a whole. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

In this Document, references to **S\$**, **Singapore dollar** or **Singapore cent** are to the lawful currency of Singapore; references to **US\$** or **US dollar** are to the lawful currency of the USA; and references to **RMB** or **Renminbi** are to the lawful currency of the PRC.

This Document contains conversions of Renminbi amounts into Singapore dollars solely for the convenience of the reader. Unless otherwise indicated, Renminbi amounts in this Document have been translated into Singapore dollars based on the exchange rate of S\$ 1 = RMB 6.99 quoted by Bank of China on the Latest Practicable Date, as defined herein. However, these translations should not be construed as representations that the Renminbi has been, would have been or could be converted into Singapore dollars or that Singapore dollar amounts have been, would have been or could be converted into Renminbi at such rates or any other rate or at all. We have included the exchange rates quoted above in its proper form and context in this Document. Bank of China has not provided its consent for the purposes of Section 306 of the SFA, as defined herein, to the inclusion of the exchange rates quoted above and is thereby not liable for the inclusion of the exchange rates extracted from the information services provided by Bank of China under Sections 306 and 307 of the SFA, as defined herein, and disclaim any responsibility in relation to reliance on these exchange rates. While reasonable actions have been taken by us and the Issue Manager to ensure that the above exchange rates have been reproduced in their proper form and context, and the information is extracted accurately and fairly from such information services, we and the Issue Manager have not conducted an independent review of the information or verified the accuracy of the contents of the relevant information. However, these translations should not be construed as representations that Renminbi amounts have been, would have been or could be converted into Singapore dollars or that Singapore dollar amounts have been, would have been or could be converted into Renminbi amounts at those rates or any other rate or at all.

Any references in this Document to Appendix or Appendices are references to an appendix or appendices respectively in this Document.

NOTICE TO INVESTORS

Any discrepancies in tables included herein between the total sum of amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded off.

Certain numerical figures set out in this Document, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and as a result, the totals of the data in this Document may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Document are calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data, subject to rounding, contained in this Document as applicable, and not using the numerical data in the narrative description thereof.

The information on our websites or any website directly or indirectly linked to such websites is not incorporated by reference into this Document and should not be relied on.

References to our executive officers and directors are to the Executive Officers and Directors of our Company; references to our Constitution are to the Constitution of our Company; and references to our share capital are to the share capital of our Company.

Certain Chinese names and characters, such as those of entities, properties, cities, governmental and regulatory authorities, laws and regulations and notices, have been translated into English or from English names and characters, solely for your convenience, and such translations should not be construed as representations that the English names actually represent Chinese names and characters or that the Chinese names actually represent the English names and characters.

In this Document, unless otherwise stated, references to our assets, portfolio or projects or our ownership of interests or investments in assets, portfolio or projects refer to assets or projects in which we directly or indirectly have an ownership interest, including through our investments in joint ventures, in which we may have a minority interest and which we may not control.

ENFORCEABILITY OF CIVIL LIABILITIES

Several of our Directors and Executive Officers reside in the PRC. A substantial portion of our assets are located in the PRC. Substantially all of the assets of our Directors and Executive Officers who are resident in the PRC are located in the PRC. As a result, it may be difficult for investors to effect service of process upon such persons inside the PRC or to enforce against us or them in the PRC any judgements obtained from non-PRC courts. Please see the section entitled "Risk Factors - Risks Relating to our Operations in the PRC." It may be difficult to effect service of process on our Directors or Executive Officers who reside in the PRC or to enforce against us or them in the PRC any judgements obtained from non-PRC courts. For further details,

NOTICE TO INVESTORS

PRESENTATION OF FINANCIAL INFORMATION

The historical financial information in the sections entitled Summary of our Financial Information and Interested Person Transactions of this Document is that of our Company and its subsidiaries on a combined basis based on common control

●ur audited combined financial statements as at and for the years ended 2023, December 31, 2022 and 2021 as set out in Appendix D Reporting Auditor's Report on the Audited Combined Financial Statements of Yangzijiang Financial Holding Ltd and its Subsidiaries for the Financial Years Ended 2023, December 31, 2022 and 2021 to this Document have been audited by PricewaterhouseCoopers LLP in accordance with the Singapore Standards on Auditing as stated in its audit report which is included with such combined financial statements ●ur audited combined financial statements as at and for the years ended 2023, December 31, 2022 and 2021 have been prepared in accordance with the SFRS I s as defined herein

●ur audited combined financial statements in this Document are presented in Singapore Dollars

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Ren Yuanlin	Executive Chairman
		Toe Teow Heng	Executive Director, CEO and CIO – Singapore
		Chew Sutat	Lead Independent Non-Executive Director
		Chua Kim Leng	Independent Non-Executive Director
		Yee Kee Shian, Leon	Independent Non-Executive Director
COMPANY SECRETARY	:	Lee Wei Hsiung (ACIS)	
REGISTERED OFFICE	:	80 Robinson Road #02-00 Singapore 068898	
PRINCIPAL PLACE OF BUSINESS	:	Room 3006, 3rd Floor, Building 2 No. 88 Chengjiang Road Jiangyin-Jingjiang Industrial District Jingjiang, Jiangsu China	
ISSUE MANAGER	:	CLSA Singapore Pte Ltd 80 Raffles Place #18-01 UOB Plaza 1 Singapore 048624	
LEGAL ADVISER TO THE INTRODUCTION AND OUR COMPANY AS TO SINGAPORE LAW	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542	
LEGAL ADVISER TO THE ISSUE MANAGER AS TO SINGAPORE LAW	:	Rajah & Tann Singapore LLP 9 Straits View Level 6, Marina One West Tower Singapore 018937	
LEGAL ADVISER TO OUR COMPANY AS TO PRC LAW	:	Jingtian & Gongcheng 45/F, K. Wah Centre 1010 Huaihai Road (M) Xuhui District Shanghai 200031 China	

CORPORATE INFORMATION

- LEGAL ADVISER TO THE ISSUE MANAGER AS TO PRC LAW** : **King & Wood Mallesons**
17th Floor, One ICC, Shanghai ICC
999 Middle Huai Hai Road, Xuhui District
Shanghai 200031
China
- REPORTING AUDITOR** : **PricewaterhouseCoopers LLP**
7 Straits View
Level 12, Marina One East Tower
Singapore 018936

Partner-in-charge: Mr. Alex Toh Wee Keong
(a member of the Institute of Singapore Chartered Accountants)
- CONSULTANT TO THE RESTRUCTURING EXERCISE** : **PricewaterhouseCoopers Consultants (Shenzhen) Limited Shanghai Branch**
42/F New Bund Center
588 Dongyu Road
Pudong New Area, Shanghai 200126
China
- SHARE REGISTRAR** : **Boardroom Corporate & Advisory Services Pte. Ltd.**
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
- PRINCIPAL BANKER OF OUR COMPANY AND OUR GROUP** : **Jiangsu Jingjiang Rural Commercial Bank**
Bawei Telecommunication Complex Building,
Xinmin Village, Jingjiang Industrial Park,
Jiangyin, Jingjiang City
China

In this Document unless the context otherwise requires the following definitions apply throughout where the context so admits

Companies within our Group

“Company,”

Yangzi Yang Financial Holding Ltd

“Group, or Group
Companies,”

DEFINITIONS

Reporting Auditor, or PwC,	PricewaterhouseCoopers LLP
AFE,	State Administration of Foreign Exchange (國家外匯管理局)
GX T,	Singapore Exchange Securities Trading Limited
Share registrar,	Boardroom Corporate Advisory Services Pte Ltd
State Council,	State Council of the PRC (國務院)
Y L,	Yangzijiang Shipbuilding (Holdings) Ltd

General

Associate,	<p>(a) In relation to any director CEO substantial shareholder or controlling shareholder (being an individual means</p> <p>(i) his immediate family</p> <p>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or in the case of a discretionary trust is a discretionary object or</p> <p>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 10% or more and</p> <p>(b) In relation to a substantial shareholder or a controlling shareholder (being a company means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 10% or more</p>
Audit and Risk Committee,	The audit and risk committee of our Company as at the date of this Document unless otherwise stated
Board, or Board of Directors,	The board of Directors of our Company as at the date of this Document unless otherwise stated
Books Closure Date,	The date to be determined by the directors of Y L and announced by Y L on which the transfer books and register of Y L will be closed in order to determine the entitlements of Y L shareholders to the Distribution

DEFINITIONS

Business Day,	means a day except a Saturday, Sunday or day gazetted as a public holiday in Singapore on which banks and financial institutions are generally open in Singapore for the transaction of normal banking business.
CEO,	Chief Executive Officer
CFO,	Chief Financial Officer
CIO,	Chief Investment Officer
CM,	Capital markets services
Companies Act,	Companies Act 197 (2022 revised Edition) of Singapore as amended, supplemented or modified from time to time.
Constitution,	The constitution of our Company as amended, supplemented or modified from time to time.
Controlling Shareholder,	As defined in the Listing Manual: a person who (a) holds directly or indirectly 10% or more of the total voting rights in our Company (unless otherwise determined by the GXT) or (b) in fact exercises control over our Company.
COO,	Chief Operating Officer
Debt Investment Business,	The Debt Investment (at a profit) costs and financing loan business conducted by our Group.
Director,	A director of our Company as at the date of this Document.
Distribution,	The dividend <i>in specie</i> of approximately 10% of the total issued shares to YL shareholders as at the Books Closure Date on the basis of one (1) share for every one (1) YL share held (fractional entitlements to be disregarded).
Document,	This document dated 1 April 2022 issued by our Company in respect of the Introduction.
Entity at Risk,	(a) Our Company (b) a subsidiary of our Company that is not listed on the GXT or an approved exchange or

(c) an associated company that is not listed on the
GSE or an approved exchange provided that our
Group or our Group and our Interested Person(s) has
control over the associated company

Entrusted Loan,

Fixed interest debt instruments provided through
intermediary financial institutions for specific borrowings
arranged by such intermediaries. The financial
intermediaries will act as an agent of the entrusted funds
from the principal to extend the loan supervise the use of
the loan and help collect the loan according to target

DEFINITIONS

, Listing Manual,	The listing manual of the GX T as amended supplemented or modified from time to time
, LP, or, LPs,	A limited partner or limited partners of a PE Fund. As an investor or investors in a PE Fund, the LP or LPs make the commitment to the PE Fund and provide capital as requested and in return receive distributions (cash or stock) and periodic notifications of the PE Fund's progress
, LP ,	Loss per share
, Market Day,	A day on which the GX T's open for trading in securities
, M A,	Merger and acquisition
, NA ,	Net asset value
, Newyard or dw de,	Newyard or dw de Holdings Ltd
, No 7 Circular,	Circular of the State Administration of Foreign Exchange on the Relevant Issues Concerning the Administration of Foreign Exchange for Domestic Individuals, Participation in Equity Incentive Programs of Overseas Listed Companies (《关于境内居民个人境外投资境内上市公司股权激励问题的通知》) (Hu Fa 2012 No 7)
, No 1 Circular,	Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Administration Policies of Foreign Direct Investment (《关于进一步简化和便利直接投资外汇管理政策的通知》) (Hu Fa 2012 No 1)
, No 7 Circular,	Circular of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control for Overseas Investment and Financing and Round-tripping Investment by Domestic Residents through Special Purpose Vehicles (《关于境内居民通过特殊目的公司境外投资及融资和返程投资外汇管理有关问题的通知》) (Hu Fa 2014 No 7)
, No 'nating Co m' ttee,	The nominating committee of our Company as at the date of this Document unless otherwise stated
, Non Executive Directors,	The non executive Directors of our Company (including the Independent Directors) as at the date of this Document unless otherwise stated
, NTA,	Net tangible asset

, ODI Procedures,	Procedures with MOFCOM ND C AFE the banks and their counterparts to which outbound investment (referring to the investment activities to overseas owners, right of control business management right and other related rights and interests by an enterprise located within the territory of Mainland China's subject pursuant to the Administrative Measures on Outbound Investment (諫讓斌尤奈E 成凱 (MOFCOM Order No. 214 the Administrative Measures on Outbound Investment by Enterprises (膾鯨諫讓斌尤奈E 成凱 (ND C Order No. 11 and other relevant regulations
, PE,	Private equity
, PE Fund, or, PE Funds,	Private equity fund or private equity funds
, PE ,	Price earnings ratio
, Period under review,	The period which comprises FY-2-1 FY-2-2 and FY-2-21
, PIPE,	Private Investment in Public Equity
, Portfolio PE Funds,	The PE Funds in which our Group owns Fund Investments
, P. C, or, China,	People's Republic of China and for the purposes of this Document the P. C does not include the Hong Kong Special Administrative Region the Macau Special Administrative Region and Taiwan
, P. C Law,	a statutes enactments acts of legislation or parliamentary ordinances rules by laws regulations not g(e 1177(c

(EIT,

Sea Estate Investment Trust

(relevant Entities,

Jiangsu Yangcun Jiang Yangcun and Jiangsu New
Yangzi Commerce

(relevant Period,

The period comprising FY-2-1 FY-2-2 FY-2-2¹ and the

Service Agreements,

The service agreements entered into between our Company and our Executive Directors and Executive Officers as described in the section entitled "Directors Management and Employees Service Agreements," of this Document

Financials,

Securities and Futures (Offers of Investments (Securities and Securities Based Derivatives Contracts) Regulations 2011 of Singapore as amended supplemented or modified from time to time

Financials,

Singapore Financial Reporting Standards (International

GXNet,

A system network used by listed companies to send

A Y F I E C A I E

To facilitate a better understanding of the business of our Group, the following glossary provides an explanation and description of certain technical terms and abbreviations used in this Document. The terms and abbreviations and their assigned meanings may not correspond to standard industry meanings or common meanings or usage, as the case may be, of these terms.

“G” Fifth generation wireless technology which can provide higher speed, lower latency and greater capacity than 4G long term evolution (LTE) networks.

“AFR” Agriculture, farmers and rural areas or, as the case may be, individuals or organisations engaged in agricultural businesses and/or rural development activities and/or residing in rural areas.

“AI” or “Artificial Intelligence” Application of advanced analysis and logic based techniques, including machine learning, to interpret events, support and automate decisions, and take actions.

“AM” Assets Under Management

“Big Data” High volume, high velocity and/or high variety information assets that demand cost effective, innovative forms of information processing that enable enhanced insight, decision making and process automation.

“Carried Interest” A share of the profits realised from the PE Fund's investments that is paid to the Fund manager as a form of compensation. Carried Interest is typically a percentage (e.g. 10% to 20%) of the profits after return of capital to investors in the PE Fund.

“Debt Investments” Fixed interest debt instruments that our Group invests in through intermediary financial institutions for specific borrowings arranged by such intermediaries.

“Fair Market Value” The price at which an asset would change hands between a willing buyer and a willing seller on the open market, neither being under any compulsion to buy nor to sell, both having reasonable knowledge of relevant facts.

“FM” Funds Under Management

“Fund” A company or partnership which is set up to pool monies to make investments.

“Fund of Funds” An investment vehicle where a Fund invests in a portfolio composed of shares of other Funds, as opposed to investing directly in stocks, bonds or other securities.

KEY FINANCIAL TERMS

“Hurdle Rate”	The minimum rate of return on a project or investment required by an investor. It is also the rate of return that a PE Fund must achieve before the fund manager can get paid the Carried Interest.
“Internal Rate of Return”	A metric used in financial analysis to estimate the profitability of potential investments, being a discount rate that makes the net present value of a cash flow equal to zero in a discounted cash flow analysis.
“IoT”	The Internet of Things (IoT) is the network of physical objects that contain embedded technology to communicate and sense or interact with their internal states or the external environment.
“Management Fee”	A periodic payment by investors in a PE Fund to the PE Fund’s manager for investment and portfolio management services.
“Non Performing Asset Ratio”	With respect to a company, the ratio of a company’s non performing assets to the company’s capital reserves.
“Return on Assets”	A financial ratio that indicates how profitable a company is in relation to its total assets, which is commonly expressed as a percentage by using a company’s net income and its average assets.
“Return on Equity”	A measure of financial performance calculated by dividing net income by shareholders’ equity.
“Smart Logistics”	The combination of traffic management structuring and navigating traffic for optimal use of traffic systems and logistics management, organising, planning, control and execution of the flow of goods by effective usage of data.
“MEs”	Small and medium-sized enterprises, as defined in the Notice on the Provisions for Classification Standards of Small and Medium-sized Enterprises (《中小企业划型标准规定》). For example, in respect of the retail business, a small enterprise refers to an entity with 10 to 50 employees and annual revenue of RMB 1 million to RMB 10 million, and a medium-sized enterprise refers to an entity with 50 to 100 employees and annual revenue of RMB 10 million to RMB 50 million.

Supply Chain

A group of functions and processes focused on optimizing the flow of products, services and related information from sources of supply to customers or points of demand. It stretches across multiple tiers in the supplier network to customers and to customers of those customers. It includes supply chain planning, sourcing and procurement, manufacturing, distribution, transportation, and services within a company and its ecosystem of partners.

UCI

A variable capital company is a legal entity for the structure of a types of investment funds in Singapore. It can be formed as a single standard fund, or as an umbrella fund with two or more sub-funds, each holding different assets.

Entrepreneur Capital

A form of private equity and a type of financing that investors provide to start-up companies and small businesses.

The following summary is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto, appearing elsewhere in this Document. Terms defined elsewhere in this Document have the same meaning when used herein. As it is a summary, it does not contain all the information that potential investors should consider before investing in the shares of our Company. Potential investors should carefully consider all the information presented in this Document, especially the matters set out in the Risk Factors, section of this Document, before deciding to invest in our shares.

such that the financials for the Period Under Review would be reflective of our Group's business operations post-Introduction. Further details are set out in the section entitled 'Business Prospects, Business Strategies and Future Plans', of this Document.

Our Group also intends to deploy a portion of the recycled capital into our newly established offshore Investment Management Business in Singapore. Overall, the repositioning strategy will help us to diversify our exposure and credit risk arising from microfinancing and Entrusted Loans into different asset classes and geographical markets.

Further, our Group intends to enter into the Fund/Wealth Management Business to generate recurring fee-based income from managing third party investment funds and provision of wealth management services via the acquisition of a CMU-licensed fund management company or setting up a fund management company in Singapore. In particular, after the Introduction, our Company intends to enter into sale and purchase agreements with the shareholders of GEM to acquire their entire shareholding interests in GEM. In-principle approval from MAS for the GEM Acquisition has been obtained on 7 March 2014. Our Company intends to proceed with the signing of the sale and purchase agreements for the GEM Acquisition and the completion of the GEM Acquisition after the Introduction. Our Company will make announcement(s) via SGXNet to apprise shareholders of any material developments on the GEM Acquisition. The source of funding for acquiring fund management companies (such as GEM) is our Company's internal sources of

SUMMARY

Combined statements of comprehensive income of our Group

	Years ended 31 December		
	2019	2020	2021
	S\$'000	S\$'000	S\$'000
Interest income	4 6,24	4 1,179	3 08,007
Dividend income	7,298	4 0,08	78,26
Fair value changes on financial assets, at FVTPL	2,71	0,3	(6,8)
Other income		1,9	6,7
Non-interest income	2,12	79,099	1 6,77
Total income	457,227	495,178	384,844
Employee compensation	(90)	(4 9)	(4 1)
Other expenses	(2,8)	(2,9)	(0,00)
Total expenses	(4 0 9)	(1,22)	(0,01)
Profit before allowances	4 22,22	4 09,87	3 66,74
(Allowances for/reversal of allowances for credit and other losses)	(9,279)	(0,1 9)	9,08
Profit after allowances	403,756	359,718	371,892
Share of results of associated companies, net of tax	, 7	1,94	1,81
Profit before income tax and total comprehensive income	426,027	390,682	427,177
Income tax expense	(8 2,99)	(0,07)	(99,929)
Net profit attributable to owners of the Investment Business	344,628	321,075	327,238
Earnings per share attributable to equity holders of the Company (expressed in \$ cents per share)			
Basic and diluted	8 7	8 2	8 8
Net profit for the year	344,628	321,075	327,238
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation (loss)/gain	(4 4 7)	1 7,03	1 09,92
Other comprehensive (loss)/income, net of tax	(114,475)	217,651	169,193
Total comprehensive income attributable to owners of the Investment Business	230,153	538,726	496,431

SUMMARY

Combined balance sheets of our Group

	As at 31 December		
	2019 S\$'000	2020 S\$'000	2021 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	1,133,088	1,806,000	1,823,774
Financial assets, at FVTPL	13,900	8,199	77,887
Debt investments (at amortised costs)	1,047,700	1,748,777	2,221,980
Trade and other receivables	1,133,980	440,440	1,133,970
	2,328,668	3,993,416	4,276,611
Non-current assets			
Financial assets, at FVTPL	189,000	4,133,100	4,713,100
Debt investments (at amortised costs)	713,900	689,900	1,137,770
Trade and other receivables	3,138	6,490	7,138
Investments in associated companies	6,800	4,000	70,000
Investment properties	-	4,138	4,133
Property, plant and equipment	1,100,000	1,198,000	1,178,000
Deferred income tax assets	4,133,100	7,600,000	7,600,000
	5,997,000	13,607,000	19,807,000
Total assets	2,925,668	17,600,416	24,083,611
LIABILITIES			
Current liabilities			
Other payables	1,000,000	4,133,100	1,700,000
Current income tax liabilities	19,099	7,138	63,139
	1,019,099	4,140,238	1,763,139
Non-current liabilities			
Deferred income tax liabilities	1,133	1,800,000	8,137
	1,133	1,800,000	8,137
Total liabilities	9,132	5,940,238	9,771,276
NET ASSETS	2,916,536	11,660,178	14,312,335
EQUITY			
Owner,s net investment	2,000,138	1,633,133	98,133
Combined capital	199,700	1,677,000	1,677,000
Other reserves	1,133	1,133,700	1,133
Retained earnings	4,133,000	7,133,138	89,133
Foreign currency translation reserve	(1,133,700)	1,133,700	7,133
Total equity	2,916,536	11,660,178	14,312,335

SUMMARY

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths are as follow

- we are a leading Investment Management Business and Debt Investment Business in Asia, in terms of our Group's total AUM size and/or our expected market capitalisation as at the Listing Date, compared to other publicly listed investment management companies in Asia,
- we have a strong investment capacity with deep proprietary capital pool,
- we have an active portfolio management to deliver attractive risk-adjusted returns,
- we have strong leadership and a deep bench of investment professionals,
- we have the ability to attract global talent, and
- we have broad and deep strategic relationships in the Greater China and Southeast Asia regions

Further details are set out in the section entitled , Business Competitive Strengths, of this Document

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the continued growth of our business are as follow

- to become a leading investment manager in Asia, focusing on long-term value creation. We seek to create a diversified portfolio with an investment focus on growth opportunities to achieve an attractive risk-adjusted return, while providing a steady stream of dividends to the Shareholders through income generated from our Investment Management Business, and in the near future, our proposed Fund/Wealth Management Business,
- to continue to grow our Investment Portfolio in the PRC,
- to recycle capital from the Debt Investment Business to Fund Investments in the Investment Management Business,
- to extend our investment footprint into Singapore by partnering prominent fund management companies to launch co-GP Funds, taking into consideration, amongst other factors, the fund management companies, scale (in terms of number of investment professionals, clientele, AUM size, deal sourcing capabilities, resources and geographical presence), scope and quality of service and product offerings, past experience and track record, as well as reputation and reliability,
- to diversify into fast-growing sectors and new asset classes, and
- to acquire new Fund/wealth management capabilities to distribute investment products (including own-GP Funds), and generate recurring fee-based income

Further details of the business strategies, future plans, prospects and trends relevant to our business are set out in the section entitled , Business Prospects, Business Strategies and Future Plans, of this Document

SUMMARY

OUR CONTACT DETAILS

Our Company,s registered office is located at 11 Robinson Road, Singapore 048998. Our principal place of business is located at Room 1001, 10th Floor, Building 1, No. 88 Chengjiang Road, Jiangyin, Jiangsu Industrial District, Jiangsu, the PRC. Our telephone number is 86-510-83838383. Our email address is public@yzjfin.com. We do not have a facsimile number. Our Company,s website address is <https://www.yzjfin.com>. Information contained on our website does not constitute part of this Document.

Our financial statements are presented in S\$. The exchange rates for S\$:RMB, as outlined in the tables below, are presented solely for information only. The tables and figures below should not

We are exposed to a number of possible risks that may arise from economic, business, market, financial, political, social, technological and other factors and developments that may have an adverse impact on our future performance. The trading price and value of the Shares could fluctuate and decline due to any of these risks and investors may lose a part or all of their investments in the Shares. The following does not state risks unknown to us now but which could occur in future and risks which we currently believe to be immaterial, which could turn out to be material. Should such risks occur or turn out to be material, they may materially and adversely affect our business, results of operations and financial condition.

An investment in the Shares involves risks. Prospective investors should carefully consider and

We believe that competition for investment opportunities is based primarily on the pricing, terms and structure of a proposed investment and certainty of execution. We may lose investment opportunities in the future if we do not match the pricing, terms and structure offered by competitors. However, we may experience decreased investment returns and increased risks of loss if we match the pricing, terms and structure offered by our competitors.

We may not be able to compete effectively with some of our competitors that may have greater financial, technical and marketing resources, stronger public relations expertise and a longer operating track records than our Group. These competitors m

RISK FACTORS

Our business is dependent on our reputation

Our reputation is key to establishing and maintaining good relationships with our customers, suppliers and market participants in general. Any negative news, information, opinion or publicity about us, especially in relation to integrity, including any incident of employee misconduct, the inability to manage price sensitive information, confidential information and conflicts of interest, among others, will affect the level of confidence that we have built in our customers, suppliers and market participants and their willingness to continue or consider working with us in the future. Any negative publicity and/or perceptions about us resulting in the loss of confidence of our customers, suppliers and market participants in us could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our Group is exposed to risks relating to growth and expansion, as well as risks in connection with past, ongoing and future acquisitions, joint ventures and strategic partnerships

Our Group's future operating results will depend on, among other things, our Group's management's ability to manage our growth. As part of our Group's future plans, we intend to expand our business, both geographically and operationally. Any such expansion carries inherent risks and uncertainties and requires significant management attention and company resources, and may not yield the results our Group expects.

After the Introduction, our Group intends to enter into the Fund/Wealth Management Business via the acquisition of a CMS-licensed fund management company or the setting up a fund management company in Singapore. In particular, we intend to acquire GEM, a Fund management company with a CMS licence in Singapore, to further our Group's expansion into the Fund/Wealth Management Business. The details of the GEM Acquisition are set out in the sections entitled "Business – Prospects, Business Strategies and Future Plans" and "Interested Person Transactions – Present and On-going Interested Person Transactions – GEM Acquisition" of this Document. In the event that the GEM Acquisition does not complete, our Group intends to enter into other M&A transactions and strategic alliances in relation to the acquisition of other CMS-licensed fund management companies and/or set up our own fund management company in Singapore to expand our Group's capabilities into the Fund/Wealth Management Business.

However, should we decide to enter into M&A transactions and/or strategic alliances, there is no certainty that our Group will be able to identify suitable assets or businesses and to acquire them or enter into joint ventures or strategic partnerships on favourable terms. There is also a risk that not all material risks in connection with any such acquisition or the establishment of a joint venture or strategic partnership will be identified in the due diligence process and will or could not be sufficiently taken into account in the decision to acquire an asset or business and in the sale and purchase agreement, or the decision to enter into a joint venture and the joint venture agreement. These risks could materialise only after such acquisition has been completed or a joint venture or strategic partnership has been entered into, and may not be covered by the warranties and indemnities in the sale and purchase agreement or the joint venture agreement and/or by insurance policies, and may result in delays, increases in costs and expenses, disputes and/or proceedings, or other adverse consequences for our Group. Acquisitions, joint ventures, strategic partnerships and reorganisations entail risks resulting from the integration of employees, processes, technologies, and products. Such transactions may give rise to substantial administrative and other expenses, and may also be subject to regulatory oversight, governmental or other approvals. While there have been no past instances of such events or factors having occurred which have had a material adverse effect on our Group's businesses, financial position

and results of operations, any of these events or factors, if

risks are managed by our Group on an ongoing basis with the primary objective of limiting the extent to which interest income and earnings could be impacted from an adverse movement in interest rates.

Further, our Debt Investment Business also generates income principally from interest that we charge on loans granted to our customers and incurs interest expenses that we pay to obtain funding. Therefore, the profitability of our Debt Investment Business is closely co-related to interest margin, being the difference between interest rate charged to our customers and the interest costs we pay to obtain funding. A narrowing of interest rate spread would have an adverse impact on our income and financial position. If our funding costs increase, our interest margin will be reduced, which will result in a decrease in our earnings.

7. (a) (i) of our Debt Investment Business

would generally apply in Singapore. For example, the assets and liabilities and profits and losses appearing in published financial statements of the Investee Companies in such countries may not reflect their financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with generally accepted accounting principles in Singapore. Accordingly, the value of any investment in an Investee Company may be less than what is implied by financial or other statements prepared or published by such Investee Company or the PE Fund. In addition, an Investee Company in such countries may not generally maintain internal management accounts or adopt financial budgeting or internal audit procedures to standards normally expected of companies in Singapore and, accordingly, information supplied to the Portfolio PE Fund which may, in turn, be provided to our Group (as owner of Fund Investments) may be incomplete, inaccurate and subject to significant delay in being produced. While there have been no past instances of such events having occurred, such events, if and when they do occur, may have a material adverse effect on our Group's businesses, financial position and results of operations.

Occurrence of any acts of God, war, adverse political developments and terrorist attacks and any events beyond our control may adversely and materially affect the business, financial condition, results of operations and prospects of our Group

Acts of God such as natural disasters are beyond the control of our Group and may adversely affect the economy, infrastructure and livelihood of the local population in the communities in which we operate. Our Group's business and operations may be adversely affected should such acts of God occur. There can also be no assurance that any war, adverse political developments, terrorist attack or other hostilities in any part of the world (potential, threatened or otherwise), such as the Russian invasion of Ukraine, will not, directly or indirectly, have an adverse effect on the business, financial condition, results of operations and prospects of our Group.

Our risk management structure, policies, procedures and internal control may not be adequate to protect us against the risks which our business operations may be subject to

We have implemented risk management policies and procedures to manage our risk exposures such as credit, operation, legal and compliance risks. There is no assurance that these systems are adequate or effective in managing our exposure to, or protecting us against, unanticipated risks, and any failure to identify any potential risks or internal control deficiencies may have a negative effect on our financial conditions and results of operations and therefore adversely affect our business prospects.

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Our Group may be involved in legal and other proceedings from time to time

In the course of our business, we may be involved, from time to time, in disputes with various parties.

An investment in PE Funds may result in the investor, such as our Group, being exposed to litigation and enforcement risk. For example, such PE Funds might accumulate substantial

Our Group is subject to risks of failure, inadequacy, interruption or security failure of information technology used in our operations

Our Group relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of our business processes, including financial transactions and

- price controls;
- the ability of our Group's management to deal with multiple, diverse regulatory regimes;

RISK FACTORS

Under the Administration Provisions, a filing-based regulatory system will be introduced to cover both direct and indirect overseas offerings and listings. The Administration Provisions further define the legal liabilities of breaches to include failure in fulfilling filing obligations or fraudulent filing conduct.

The Measures include, amongst others, the scope of activities subject to the filing requirement and relevant criteria for determining whether an activity falls within the scope, as well as requirements on filings of overseas securities firms who provide services for overseas securities offering and listing by domestic companies.

Neither we nor any of our subsidiaries have made any filing and/or obtained the approval from the CSRC for the Introduction under this Document as the Legal Adviser to our Company as to PRC Law, Jingtian & Gongcheng and the Legal Adviser to the Issue Manager as to PRC Law, King & Wood Mallesons, are of the view that neither we nor any of our subsidiaries are required to make and/or obtain such approval under existing PRC laws and regulations. Depending on when the New Draft Rules may take effect, there may be different implications which may affect our business operations in the PRC. Please refer to the section entitled “Business – New Draft Rules by CSRC” of this Document for further details. There can also be no assurance that regulators in China will not take a contrary view from Jingtian & Gongcheng and King & Wood Mallesons, or will not subsequently require us to undergo the filing procedures and subject us to penalties for non-compliance in connection with this Introduction.

Further, if such regulations also require us to obtain filings with the CSRC for future fund raising activities, we may not be able to meet the relevant requirements in a timely manner, thereby affecting our use of funds, which may materially and adversely affect our business, financial position and results of operations.

The restrictions on the PRC foreign exchange or outbound capital flows may affect our ability to receive dividends and other payments from our PRC subsidiaries

In the PRC, foreign investment enterprises are subject to the PRC rules and regulations on currency conversion, including the Regulation for Foreign Exchange Controls in the PRC. The ability of our PRC subsidiaries to pay dividends or to repatriate profits to us may be affected by changes in the PRC foreign exchange control. For example, each of our PRC subsidiaries is required to set aside 10.0% of its after-tax profits annually to fund statutory reserve until its cumulative reserve reaches 10.0% of its registered capital. None of our PRC subsidiaries' cumulative reserve has reached 10.0% of its registered capital as at the Latest Practicable Date. These reserves, together with the registered equity, are not distributable as cash dividends.

As a result of these laws, rules and regulations, our PRC subsidiaries are restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends. Please also refer to the section entitled “Exchange Controls” of this Document for further details.

It may be difficult to effect service of process on our Directors or Executive Officers who reside in the PRC or to enforce against us or them in the PRC any judgements obtained from non-PRC courts

A substantial portion of our assets are located in the PRC. Substantially all of the assets of our Directors and Executive Officers who are resident in the PRC are located in the PRC. Therefore, it may be difficult for investors to effect service of process upon those persons inside the PRC or to enforce against us or them in the PRC any judgements obtained from non-PRC courts. The PRC has not entered into any treaties providing for the reciprocal recognition and enforcement of

the Fair Market Value of the relative share of the investments in the Investee Companies held by the Portfolio PE Fund in respect of such Fund Investment. Based on industry practice, the fund manager is responsible for determining the net asset value of the Fund it manages and as an investor of Fund Investments, our Company can only depend on the latest net asset value of Fund Investments provided by the respective fund managers.

Actual realised cash flows from Fund Investments may differ from GPs' net asset value indications

Our Group invests on a "long-only" basis, taking only long positions on its investments. This means that our net asset value will rise (or fall) in value based on the market value of the assets we hold. Actual realised returns and cash flows on unrealised investments of a Portfolio PE Fund

as selling commissions, brokerage and legal documentation costs) associated with such dispositions and the amounts of cash which may be realised may be diminished, any of which may have a materially adverse effect on our Group's business, financial condition, results of operation and prospects.

Performance of Fund Investments depends on the relevant GPs' abilities

PE Funds (including the Portfolio PE Funds) may have limited or no operational history and may have no established track record in achieving their investment objectives. The success or failure of any investment in a PE Fund, such as the Fund Investments, depends largely on the ability of its GP to select, develop and realise appropriate investments in Investee Companies held by the PE Fund (including a Portfolio PE Fund), which in turn could be affected by wider macro-economic and market conditions, as well as increased competition in the PE markets. As a result of the high degree of risk associated with the Fund Investments, there can be no assurance that the Fund Investments will generate sufficient cash flows to repay investors. Furthermore, some or all of the Fund Investments may decline in value which could result in a decrease of the Total Portfolio NAV.

The success of a Portfolio PE Fund is highly dependent on key private equity professionals and their absence could adversely affect the performance of such PE Fund

The successful identification, completion and exit of investments by a Portfolio PE Fund in Investee Companies will be highly dependent on the skills of the GP of that Portfolio PE Fund. Accordingly, the success of a Portfolio PE Fund will depend in part upon the skills and expertise

have an adverse impact on some or all of the investments held by such Portfolio PE Fund in Investee Companies, which may impede the ability of the Investee Companies to perform under

who have similar investment objectives, exit timeframe and methods for the investment targets,

Fund Investment in such Portfolio PE Fund, which may in turn adversely impact our Group's business, financial condition, results of operation and prospects.

ADDITIONAL RISKS RELATING TO OUR DEBT INVESTMENT BUSINESS

Our Debt Investment Business is heavily regulated in the PRC.

Jingjiang Runyuan

Our PRC subsidiary, Jingjiang Runyuan, is a microfinance company that operates in a heavily regulated industry. Jingjiang Runyuan has obtained approvals on promotion () and commencement of business (the "**Promotion and Commencement Approval**"), as well as a business licence for engaging in micro and small loan business. The microfinance industry in the PRC is subject to extensive laws, rules, regulations, policies and measures at the national, provincial, municipal and local levels. These laws, rules, regulations, policies and measures are issued by different national, provincial, municipal and local governments. 77(a)- 0.097 9(a)- 0.09 3(u)- 0.09 3(v)- 0.09

Non-Compliance

Both (a) the aggregate value of micro loans outstanding and (b) the aggregate value of AFR micro loans (based on the definition of PBOC statistics) outstanding were below 70.0% of Jingjiang Runyuan's total loans outstanding

Regulatory Action/Penalty

larger enterprises), and may be more vulnerable to adverse market, economic or regulatory conditions. In particular, the business of SMEs, micro enterprises and individual proprietors may be adversely affected by regional financial markets turmoil and changes in the macro credit policies. Conditions such as inflation, economic downturns, policy changes, adjustments of industry structure and other factors beyond their control may result in deterioration of our customers' business operations, financial conditions and repayment ability, thereby increasing our credit risk. While there have been no past instances of such events or factors having occurred, such events, if and when they do occur, may have a material adverse effect on our Group's businesses, financial position and results of operations.

In addition, with the aim of addressing credit risks, we have put in place a risk management system. While our risk management system is designed to manage our credit risk, there can be no assurance that such system will be effective in avoiding all undue credit risk.

Any extension of the loan or Debt Investment repayment term for our customers or failure to effectively manage credit risk of our loans and Debt Investments and maintain a low impaired loan or Debt Investment ratio may affect our business

Subject to requisite approvals, we may agree to extend the term of a loan for customers who apply for extension due to their own needs or the term of a Debt Investment. Although we consider and process an application for loan or Debt Investment extension as if it were a new loan or Debt Investment application and such requisite approvals include a review of the extension application by the Investment Committee, we cannot assure you that such loans or Debt Investments with extended terms in the future will not increase the credit risk of our loan or Debt Investment portfolio, which in turn may adversely impact our liquidity, financial conditions and results of operations. Please refer to the section entitled "Business – Debt Investment Business – Business Process – Loan and Debt Investment extension" of this Document for further information.

Effective management of our loans and Debt Investments and impaired loan and Debt Investment ratio is fundamental to the sustainability of our Debt Investment Business. Any deterioration in the quality of our loans or Debt Investments and undue increase in loan or Debt Investment impairment will materially and adversely affect our results of operations.

We may not be able to effectively control the level of our impaired loans or impaired Debt Investments in the future. Our impaired loan ratio and impaired Debt Investment ratio may increase due to factors that are beyond our control, such as slowdown in economic growth of China or Jiangsu Province, or other adverse macroeconomic trends. These factors may have a negative impact on the financial, operational and liquidity conditions of our customers, which in turn may affect their ability to repay our loans and Debt Investments. If we cannot manage such

RISK FACTORS

We expect that our business will continue to be only in the Jiangsu Province in the PRC in the near term. As a result, our business and financial performance will continue to depend on the stability of the economy in the Jiangsu Province. Any significant downturn in the local economy or the implementation of local policies unfavourable to SMEs, micro enterprises or individual proprietors in general may result in a decrease in demand for our loans, have a negative impact on our customers' ability to repay our loans on a timely basis or at all, and adversely affect the values of our real property collaterals, all of which may materially and adversely affect our financial conditions and results of operations.

The collaterals securing our loans and Debt Investments and any assets that we may have repossessed may not be sufficient to cover the corresponding loan or Debt Investment value, which may significantly increase our credit risk

During the Period Under Review, we required some of our customers to provide collaterals to secure loans and Debt Investments granted. As at December 31, 2019, 2020 and 2021, approximately 90.9%, 78.1% and 70.1% of our Debt Investments were secured by collaterals, respectively. We mainly accept land use rights, building ownership rights or other securities as collateral for our loans and Debt Investments granted.

The value of our collaterals, which are mainly real properties, may fluctuate and decline due to various factors, including those affecting the PRC economy, real properties, real estate market and financial market in general. The changes in the PRC interest rate policies and credit policies may also adversely affect the real estate market in China or in the Jiangsu Province and lead to a decline in the value of the collaterals. Further, force majeure events may lead to damages of the collaterals. Oversupply or reduction in the demand of the real properties may also significantly reduce their value. If there is a significant decline in collateral value due to any of the above reasons, and in the event of customers' default which we have to enforce the security to recover the loans, the value of collaterals may be insufficient to cover our loans or Debt Investments in full. While there have been no past instances of such events or factors having occurred, such events, if and when they do occur, may have a material adverse effect on our Group's businesses, financial position and results of operations.

In addition, the enforcement process may be difficult for legal and practical reasons as defaulting customers may not have sufficient assets for our Group to apply for attachment of assets, and that bringing an action in the PRC court for foreclosure on collaterals can be a time-consuming process, thereby resulting in additional costs.

ADDITIONAL RISKS RELATING TO THE PROPOSED FUND/WEALTH MANAGEMENT BUSINESS UPON COMPLETION OF THE ACQUISITION OF A CMS-LICENSED FUND MANAGEMENT COMPANY OR THE SETTING UP A FUND MANAGEMENT COMPANY IN SINGAPORE

The proposed Fund/Wealth Management Business is subject to government regulation and government policies

The Fund management industry is subject to extensive regulation in Singapore. After the Introduction, our Group intends to acquire CMS-licensed fund management companies and/or set up a fund management company in Singapore. In particular, we intend to acquire GEM. CMS-licensed fund management companies, including GEM, are approved by the MAS to conduct the regulated activity of Fund management and will have to comply with the SFA and the subsidiary legislation issued thereunder, as well as notices, circulars, guidelines, practice notes and codes issued by the MAS from time to time, as may be applicable to it in respect of its regulated activities. Notwithstanding that a CMS-licensed fund management company (such as GEM) may presently comply with and will be able to satisfy all the conditions imposed by MAS on

the CMS licence to conduct the Fund/Wealth Management Business, as the MAS has regulatory powers over many aspects of services of CMS licensees, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular businesses, there is no assurance that CMS licensees will be granted permissions to carry on particular businesses or if such permissions are granted, there is no assurance that such permissions will not be cancelled, Please see the sections entitled “Business – Prospects, Business Strategies and Future Plans’ and “Interested Person Transactions – Present and On-going Transactions – GEM Acquisition’ of this Document for further details on the GEM Acquisition.

Our Group’s proposed Fund/Wealth Management Business may also be adversely affected if new or revised legislation or regulations are enacted, if current exemptions which our Group relies on are changed, or by changes in the interpretation or enforcement of existing rules and regulations imposed. Any such changes could increase our Group’s cost of doing business or materially and adversely affect our profitability.

A changing regulatory landscape in the securities and financial services industry could alter the relationships between fund managers and their customers and suppliers

The securities and financial services industry has been subject to increasing and changing regulations in recent years. If our Group expands into the Fund/Wealth Management Business, our Group will derive revenue from recurring fee-based income from managing third party investment Funds and provision of wealth management services to customers. Changes in the regulatory conditions of the securities and financial services industry in Singapore and in other jurisdictions in which our proposed Fund/Wealth Management Business would operate could directly affect our potential customers, suppliers and our proposed Fund/Wealth Management Business as well as alter the relationship between our proposed Fund/Wealth Management Business and our potential customers and suppliers in a manner that could materially and adversely affect our proposed Fund/Wealth Management Business, financial condition, results of operation and prospects. For example, our potential customers, and suppliers’ incentive for dealing with us and the supply or demand for our services and products could be altered by changes in regulations and we could also be made to limit or alter our range of services and products to comply with regulatory requirements. Such changes could materially and adversely affect our proposed Fund/Wealth Management Business, financial condition, results of operation and prospects.

Recurring revenue from the Fund/Wealth Management Business may be affected by a reduction in the base fee, performance fee and/or AUM of fund management companies

It is expected that the recurring revenue of a fund management company will comprise base fees and performance fees which will be calculated based on stated percentages of the annual Internal Rate of Return of the Funds in excess of one or more “H₂(e)- 0.0s

There is no assurance that we will, upon expansion into the Fund/Wealth Management Business, be able to grow our AUM or that we will receive performance fees from our customers at the agreed rate or at all. A reduction or cessation of performance fees we may receive from our customers and/or the reduction of our AUM would either alone or in the aggregate negatively impact our recurring revenue and could have a material adver

expands into lower fee-paying asset classes, the average management fee rate for such fund management company may decline.

If any of the foregoing were to occur to our proposed Fund/Wealth Management Business such that our Group's FUM under our proposed Fund/Wealth Management Business does not grow as expected, or even declines, or if management fee rates decrease, this may adversely affect, in the medium or long-term, the management fees and investment income received by our Group.

Poor or non-performance of any of the Funds to be managed by our Group under the proposed Fund/Wealth Management Business may adversely affect our Group's business

If the Funds managed by our Group under the proposed Fund/Wealth Management Business do not perform as expected, the revenue our Group derives from this proposed business will be adversely affected, since it is or will be tied to the value and performance of the Funds. The Funds may face withdrawals by investors and be unable to attract new subscriptions. Going forward, our Group also expects to commit seed capital to the Funds managed by our Group under the proposed Fund/Wealth Management Business, our Group may also lose some or all of our investment in these Funds if the investments made by the Funds fail or perform poorly. In addition, a sustained or material poor performance of our Group's proposed Fund/Wealth Management Business may adversely affect our Group's reputation and make our Group less effective in securing future investments and raising capital for new Funds that our Group m

RISK FACTORS

- limit the entity's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

Any of the foregoing circumstances could have a material adverse effect on the performance of the Funds to be managed by our Group under the proposed Fund/Wealth Management Business, which may in turn adversely affect our Group's business, financial condition, results of operations, prospects and cash flow.

We may not have sufficient insurance coverage or the cost of insurance may increase significantly

The proposed Fund/Wealth Management Business entails the risk of liability related to litigation from our customers under the proposed Fund/Wealth Management Business and other third parties. There is no assurance that any claims made or decided against us will be covered by insurance, or if covered, will not exceed the limits of our coverage. As at the Latest Practicable Date, on a Group basis, we only have basic group health, property all risks and machinery breakdown insurance policies. Our Directors are of the view that the existing insurance policies taken up by our Group are in line with industry practice and are adequate. As such, we will, where necessary, take up additional insurance policies to cover any further risks arising from our Group's further entry into the Fund/Wealth Management Business. We have not taken up any professional liability, professional indemnity or directors and officers liability to provide coverage against such risks. There is also no certainty whether any or all of our insurers will remain solvent and meet their contractual obligations to provide the coverage we are contracted for or that such coverage will continue to be made available to us at a reasonable premium for future renewals. Increased costs of maintaining our existing insurance coverage or obtaining additional coverage not covered by our existing insurance could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may also be subject to liabilities or losses resulting from business interruptions or other disruptions to our operations, services or technological infrastructure, against which we have not insured adequately, or at all, or cannot insure. The occurrence of an adverse event and the damages from which are not covered or fully covered or honoured by our insurers, could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO OWNERSHIP OF THE SHARES

Future issues or sales of our Shares, and the availability of a large number of the Shares for sale, could depress the Share price

The sale of a significant number of the Shares in the public market after the Distribution, or the perception that such sales may occur, could materially and adversely affect the market price of the Shares. These factors could also affect our ability to sell additional equity securities.

Although certain of our Controlling Shareholders are subject to a moratorium, any substantial issuance or sale or perceived substantial issuance or sale of our Shares over a short period of time after the expiry of the applicable moratorium period (where applicable) by our Company or such Controlling Shareholders could cause our Share price to fall. Except as otherwise described in the section entitled "Moratorium" of this Document, there are no restrictions on the ability of our Controlling Shareholders to sell their Shares, either on the SGX-ST or otherwise.

Shareholders may experience further dilution in the value of the Shares

Our Company may need to raise additional funds in the future and if such additional funds are raised through the issuance by our Company of new Shares other than on a *pro rata* basis to then existing Shareholders, the percentage ownership of then existing Shareholders may be reduced and then existing Shareholders may experience dilution in the value of their Shares. If we fail to utilise the additional funds to generate a commensurate increase in earnings, this will also lead to a dilution in our earnings per Share and could lead to a decline in the Share price.

Our post-Introduction Share price may not be reflective of our value and our Share price may be volatile in the future

The listing will be by way of an Introduction. Unlike a listing undertaken together with an initial public offering, there will not be a price-discovery process such as bookbuilding undertaken prior to and in connection with the Introduction. As such, the price of the Shares immediately post-Introduction may not reflect an appropriate value for our Company.

The price of the Shares may fluctuate widely, depending on many factors, including:

- changes in market valuations and share prices of companies

RISK FACTORS

dividends, and the approval of other actions requiring the simple majority approval of our Shareholders. Control of a majority of the Shares by our Controlling Shareholder could delay, defer or prevent a future take-over or a change in control of our Company and could make some transactions more difficult or impossible to complete without the support of our Controlling Shareholder. The interests of our Controlling Shareholder may also differ from or conflict with the interests of other Shareholders.

Shareholders' ability to participate in future rights offerings may be limited

If we offer to our Shareholders rights to subscribe for additional Shares or any rights of any other nature, we will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for the benefit of our Shareholders and making the net proceeds available to our Shareholders. We may choose not to offer the rights to our Shareholders who have a registered address outside Singapore.

We may not be able to pay dividends

Our ability to declare dividends in relation to the Shares will depend on our future financial performance, which, in turn, depends on the successful implementation of our strategy and on financial, competitive, regulatory and other factors, general economic conditions and other factors specific to our industry or specific projects, many of which are beyond our control.

In addition, our ability to pay dividends will be substantially affected by the ability of our subsidiaries, associated companies or Funds we may invest in, to declare and pay us dividends or other distributions. The ability of our subsidiaries and such entities to declare and pay dividends or other distributions to us will be dependent on the cash income of and cash available to such subsidiary or entity and may be restricted or subject to conditions under applicable laws, regulations or contractual agreements. There are covenants under the terms of certain existing bank facilities of our subsidiaries, associated companies, our Funds which may impose restrictions on the ability of these entities to distribute dividends or distributions to our Company upon the occurrence of specified events such as where interest payments under the relevant facility are in arrears.

Singapore take-over laws contain provisions which may vary from those in other jurisdictions

We are subject to the Singapore Take-Over Code, which contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control of our Company. Under the Singapore Take-Over Code, except with the consent of the Securities Industry Council of Singapore ("SIC"), any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 0.0% or more of the voting Shares, is required to extend a take-over offer for the remaining voting Shares in accordance with the Singapore Take-Over Code. Except with the consent of the SIC, such a take-over offer is also required to be made if a person holding between 0.0% and 0.0% (both inclusive) of the voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting Shares representing more than 0.0% of the voting Shares in any six (6)-month period.

While the Singapore Take-Over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of the shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefit from a potential change of control.

The listing by way of an Introduction may not result in an active or liquid market for the Shares

An active public market for the Shares may not develop or be su

(e) our working capital requirements and general financing condition;

SHARE CAPITAL

provided that

- (1) the aggregate number of shares to be issued pursuant to such authority (including the shares to be issued pursuant to the exercise of any rights made or granted pursuant to this authority but excluding shares which may be issued pursuant to any adjustments effected under any relevant instrument which Adjustments shall be made in accordance with the provisions of the General Listing Manual (the **Listing Manual**), for the time being in force (unless such authority has been varied by the General Listing Manual) and the Constitution for the time being of the Company) does not exceed 1000 of the post Introduction issued share capital excluding treasury shares and subscriptions and provided further that the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders (including shares to be issued pursuant to the exercise of any rights made or granted pursuant to such authority but excluding shares which may be issued pursuant to Adjustments effected under any relevant instrument) shall not exceed 100 of the post Introduction issued share capital excluding treasury shares and subscriptions
- (2) in exercising such authority the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such authority has been varied by the General Listing Manual) and the Constitution for the time being of the Company and
- (3) unless revoked or varied by the Company in general meeting by ordinary resolution the authority so conferred shall continue in force until the conclusion of the next annual general meeting of the Company on the date by which the next annual general meeting of the Company is required by law to be held thereafter

For the purpose of the resolution and pursuant to Rules 10.1(2) and 10.1(3) of the Listing Manual the post Listing issued share capital, shall mean the total number of issued shares of our Company (excluding treasury shares and subscriptions) immediately after the completion of the Introduction after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities issued and outstanding or subscription at the time such authority is given (ii) new shares arising from exercising share options or vesting of share awards issued and outstanding or subscription at the time such authority is given provided that the options or share awards are granted in accordance with the Listing Manual and (iii) any subsequent bonis issued in connection with the subscription of shares

As at the date of this Document there is only one (1) class of shares in the capital of our Company being ordinary shares. A summary of the Constitution of our Company relating to a range of the voting rights of our shareholders are set out in the section entitled, Appendix A Summary of Our Constitution, to this Document

There are no funds held in respect of deferred shares

Changes in Issued Share Capital

As at the date of incorporation the issued and paid up share capital of our Company as £100,000 consisting 100 shares

On 1st July 2017 the issued share capital of our Company (the **Capitalisation**) for a total subscription amount of £1,170,000 consisting 1,170,000 shares in anticipation of the Distribution the exact number of new shares to be issued pursuant to the Distribution

depend on the total number of shares held by the shareholders of Y L as at the Books Closure Date (the, **Entitled Shareholders**,) fractional entitlements to be disregarded

The Distribution involves the distribution by Y L to its shareholders of a the shares held by Y L representing 100% of the issued shares on the basis of one (1) share for each share held by

SHARE CAPITAL

Details of the changes in the issued and paid up share capital of our subsidiaries in the three (3) years preceding the Latest Practicable Date are as follows:

Name of Subsidiary	Date of Change	Registered capital before change	Amount of Change	Registered capital after change	Resultant Paid-up Share Capital
Jingang Ruyuan	July 2011	RMB100,000,000	(RMB500,000,000)	RMB500,000,000	RMB500,000,000
Jiangsu Ne Yangzhi Co., Ltd.	January 2011	RMB100,000,000	(RMB500,000,000)	RMB500,000,000	RMB500,000,000

As disclosed above, there were no changes in the issued and paid up share capital of our Company and our subsidiaries in the three (3) years preceding the Latest Practicable Date.

Our Directors and Substantial Shareholders and their respective shareholdings as at the Listing Date are set out below:

	Number of Shares Owned by Director	Percentage of Total Shares Owned by Director	Number of Shares Held at Listing Date	Percentage of Total Shares Held at Listing Date (1)
Directors				
Ren Yuanlin ⁽²⁾	–	–	852,845,825	21.6
Toe Teow Heng	200,000	0.0	–	–
Chew Sutat	188,000	0.0	–	–
Chua Kim Leng	35,000	0.0	–	–
Yee Kee Shian, Leon	–	–	–	–
Substantial Shareholders				
Ren Yuanlin	–	–	852,845,825	21.6
Yangzi International Holdings Limited ⁽³⁾	852,845,825	21.6	–	–
Julius Baer Trust Company (Singapore) Limited (as trustee of the YZJ Settlement) ⁽⁴⁾	–	–	852,845,825	21.6
Sapphire Skye Limited (as nominee of Zedra Trust Company (Singapore) Limited) ⁽⁵⁾	–	–	394,134,000	10.0
Lido Point Investments Ltd	394,134,000	10.0	–	–
T. Rowe Price Associates, Inc.	–	–	275,361,200	7.0

- (4) Julius Baer Trust Company (Singapore) Limited is the trustee of the Trust. The Trust is a “purpose trust”. As at the Latest Practicable Date, Mr. Ren is the sole beneficiary under the Trust. The 852,845,825 Shares held by Yangzi International Holdings Limited are assets of the Trust. The settlor of the Trust is Mr. Ren. By virtue of Section 4 of the SFA, Julius Baer Trust Company (Singapore) Limited is deemed to have an interest in the 852,845,825 Shares held by Yangzi International Holdings Limited.
- (5) Sapphire Skye Limited is wholly-owned by Zedra Trust Company (Singapore) Limited which is the trustee of the Lido Trust, an employee benefit trust set up for the purpose of rewarding employees of our Group. Wang Dong is the settlor of the Lido Trust. Under the terms of the Lido Trust, Zedra Trust Company (Singapore) Limited manages the 394,134,000 Shares that Sapphire Skye Limited is deemed interested in and Wang Dong does not have any control over such Shares. There are no relationships between Wang Dong and our Group, the Directors, Executive Officers, Controlling Shareholders and/or any of the associates of the aforementioned parties. The beneficiaries of the Lido Trust are not fixed. Wang Dong, as the 100.0% shareholder of Lido Point Investments Ltd, which held 394,134,000 shares of YSL, had transferred all the shares of Lido Point Investments Ltd to the Lido Trust set up for the purpose of rewarding employees of the YSL Group in December 2021. Wang Dong was a founding member of YSL and over the years had contributed to the success of the YSL Group. He had retired in 2019 from his role as Deputy General Manager to pursue his personal interests. It was his wish that the employee benefit trust would reward and motivate the YSL Group to reach greater heights and foster a sense of personal ownership by the employees.
- (6) Ren Letian is deemed to be interested in 165,797,370 Shares which are held by Hengyuan Asset Investment Limited (“**H n uan**”) through his interests in Hengyuan by virtue of Section 4 of the SFA.
- (7) Xinyangchuan Settlement is a trust and the beneficiaries are the employees of YSL. After the Proposed Spin-Off, there will be no overlap between the employees of YSL and the employees of our Company.
- (8) Alexandrian Worldwide Incorporated is a company that was formed by four (4) members of the senior management of YSL. These senior management members are not the Directors, CEO, Substantial Shareholders or Controlling Shareholders of our Company nor our subsidiaries, and are not Associates of the foregoing persons.

Save as disclosed above and in the section entitled “Directors, Management and Employees” of this Document, there are no other relationships among our Directors, Substantial Shareholders and Executive Officers.

As at the Latest Practicable Date, none of our Directors or Executive Officers has, or has the right to be given, an option to subscribe for or purchase any securities or securities-based derivatives contracts of our Company.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Shares. Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company.

There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of a business trust which has occurred between the date of incorporation of our Company and the Latest Practicable Date.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly by any other

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Percentage of Ownership

Save as disclosed above and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Document, there were no significant changes in the percentage of ownership of the Shares in our Company between the date of incorporation of our Company on 14 December 2021 and the Latest Practicable Date.

Moratorium

To demonstrate their commitment to our Group, each of Mr. Ren, Julius Baer Trust Company (Singapore) Limited and Yangzi International Holdings Limited has agreed that in relation to all Shares held by him/it (whether directly or indirectly) immediately after the Introduction (as adjusted for any bonus issue, subdivision or consolidation of Shares) (the “**Moratorium Shares**”), that he/it will not, without the prior written consent of each of the Issue Manager and our Company, directly or indirectly:

- (a) sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, sell any option or contract to purchase, purchase any option or contract to sell, grant any security over, encumber (such as by way of mortgage, assignment of rights, charge, pre-emption rights, rights of first refusal or otherwise) or otherwise transfer or dispose of any or all of their Moratorium Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of the Moratorium Shares or any other securities of our Company or any subsidiary of our Company), whether such transaction is settled by delivery of such Moratorium Shares or such other securities, in cash or otherwise;
- (b) enter into any agreement, transaction or arrangement (including any swap, hedge or derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer (in whole or in part) with a similar effect (economic or otherwise) to the foregoing of any or all of the Moratorium Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of the Moratorium Shares or any other securities of our Company or any subsidiary of our Company), whether such agreement, transaction or arrangement is settled by delivery of such Moratorium Shares or such other securities, in cash or otherwise;
- (c) deposit any or all of the Moratorium Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any or all of the Moratorium Shares or any other securities of our Company or any subsidiary of our Company) in any depository receipt facilities, whether any such transaction described above is to be settled by the delivery of such Moratorium Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction or arrangement which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; and/or
- (e) offer or agree to make any announcement with respect to any of the foregoing transactions or publicly disclose any intention to do any of the above,

Mr. Ren, as the settlor of the YZJ Settlement, has also undertaken to the Issue Manager and our

Restructuring Exercise

In connection with the Distribution and the Introduction, our Group undertook the Restructuring Exercise to rationalise and streamline our Group's corporate structure, pursuant to which our Company became the holding company for our operations.

The details of our Restructuring Exercise are as follows:

Immediately prior to the Restructuring Exercise (as described below), the issued ordinary share capital of our Company was S\$100 comprising 100 ordinary shares.

In connection with the Introduction, our Group undertook a restructuring exercise to consolidate our Group's Debt Investment Business and Investment Management Business under our Company, details of which are set out below:

- (i) on January 2022, a dividend of RMB18.8 billion was declared by Jiangsu New Yangzi Shipbuilding Co., Ltd. to its 1.1% shareholder, Jiangsu Yangzijiang Shipbuilding Co., Ltd.. No dividends were declared in favour of the other two (2) shareholders, Yitian Investments Pte. Ltd. and Seavi Advent Asia Investments (III) Ltd, which collectively hold 8.9% of the shares in Jiangsu New Yangzijiang Shipbuilding Co., Ltd., and which are wholly-owned subsidiaries of YSL). The RMB18.8 billion dividend was recorded in the books of Jiangsu Yangzijiang Shipbuilding Co., Ltd. as a dividend receivable (the "**JNYS Dividend Receivable**");
- (ii) on 1 January 2022, Jiangsu Yangzijiang Shipbuilding Co., Ltd. declared dividends amounting to RMB19.99 billion to YSL, and such amount was recorded in the accounts of YSL as a dividend receivable (the "**JYS Dividend Receivable**,") and in the accounts of Jiangsu Yangzijiang Shipbuilding Co., Ltd. as a dividend payable ("**JYS Dividend Payable**");
- (iii) on 8 February 2022, Jiangsu Yangzijiang Shipbuilding Co., Ltd. assigned the RMB18.8 billion JNYS Dividend Receivable, RMB1. billion cash, RMB19.99 billion JYS Dividend Payable and RMB0.01 billion share capital to Jiangsu Yangchuan, a separate PRC company established, following the company split of Jiangsu Yangzi

The details of the Debt Investments and financial assets at FVTPL (including the nature of such investments/assets, the quantum and maturity profile, and the specific reasons that each of these investments are retained by YSL) that were not acquired by our Group from YSL, are set out as follows below. Except for Debt Investment Q, none of the Debt Investments and FVTPLs are with related parties. Debt Investment Q is a related party transaction as it is a loan extended by a subsidiary that is and will be part of the YSL Group, to Jiangsu Jiangyin-Jingjiang Industrial Zone Tongyi Trading Pte Ltd (“**Jiangsu Jiangyin**”), having a loan quantum of RMB10,000,000. Jiangsu Jiangyin is an entity that is indirectly held by the YZJ Fund. While it is a related party transaction, the management of Jiangsu Jiangyin is independent of the management of YSL and our Company, and Mr. Ren is not involved in the day-to-day management of Jiangsu Jiangyin. The management of Jiangsu Jiangyin has declined to consent to the novation of the loan agreement from the YSL Group to our Group. Debt Investment Q is envisaged to mature in the short term, by the end of 2022. Jiangsu Jiangyin has not consented to the novation of Debt Investment Q from YSL to our Group as their management has indicated that they are reviewing their working capital and are

Name	Quantum as at 31 December 2021 (Gross carrying amount before impairment losses) (RMB)	Maturity	Reason for Retention
Debt Investment K	28, 1, 9	30 June 2021	These Debt Investments are not transferred to our Group as they are employed in financial difficulties. In order not to jeopardise YSL Group's eligibility for collection and claim of collaterals, our Company's management had decided not to transfer these Debt Investments to our Group.
Debt Investment L	100,000,000	2 December 2021	
Debt Investment M	9,99,919	1 June 2022	

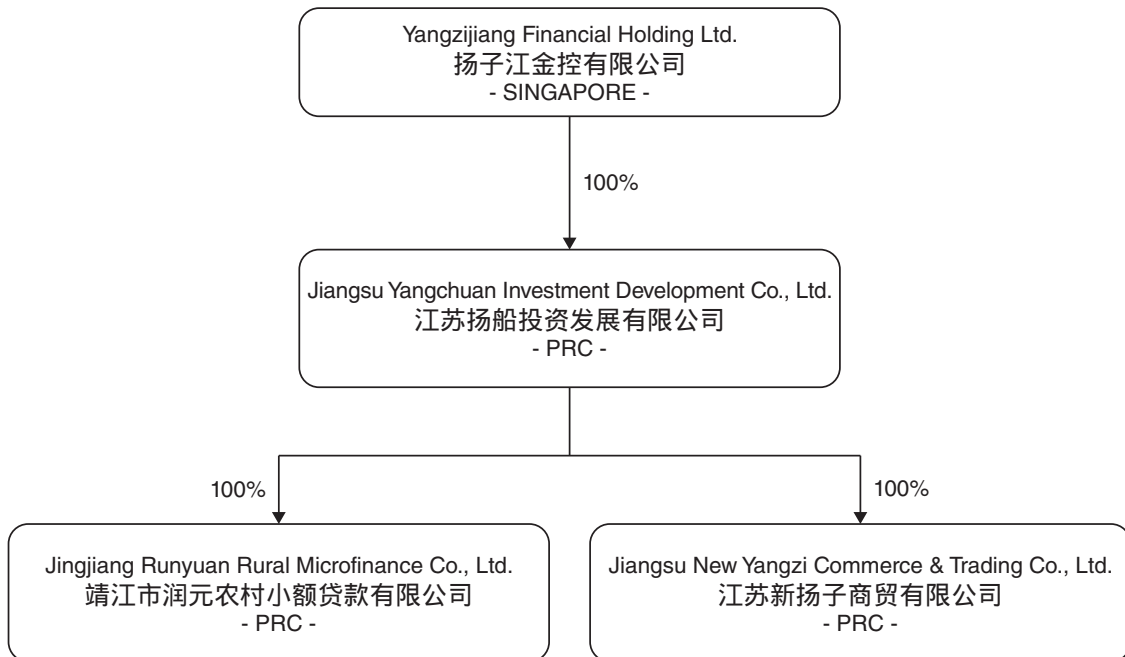
RESTRUCTURING EXERCISE

FVTPL

Name	Quantum as at 31 December 2021 (RMB)	Reason for Retention
FVTPL A	00,000	These FTVPLs are not transferred to our Group as they are related to the shipbuilding business of YSL. These investments were previously there to support shipbuilding suppliers.
FVTPL B	1 ,000,000	
FVTPL C	10,000,000	
FVTPL D	2,000,000	This is a small financial asset which will be disposed of soon.
FVTPL E	, 2,000	These FTVPLs are not transferred to our Group as they have delisted in FY2021. Our Company's management is of the view that it is relatively difficult to change the owner of the shares, given that these companies are in the midst of restructuring.
FVTPL F	1 ,922, 1	
FVTPL G	1 2 0,000	These FTVPLs are not transferred to our Group as there is a stipulated period as per existing contractual terms that the owner cannot be changed.
FVTPL H	198,000,000	

GROUP STRUCTURE

Our Group structure following the Restructuring Exercise and as at the date of this Document is as follows:



The details of our subsidiaries as at the date of this Document are set out below:

No.	Company Name	Date of Incorporation	Country of Incorporation	Principal Place of Business	General Nature of Business	Ownership/ Effective Interest (%)
1.	Jiangsu Yangchuan Investment Development Co., Ltd. (蘇州陽川投資發展有限公司)	8 February 2022	PRC	Jiangsu		

SUMMARY OF OUR FINANCIAL INFORMATION

The following summary financial information should be read in conjunction with the full text of this Document, including the sections entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Appendix D – Reporting Auditor’s Report on the Audited Combined Financial Statements of Yangzijiang Financial Holding Ltd. and its Subsidiaries for the Financial Years Ended 31 December 2019, 2020 and 2021” of this Document respectively.

A summary of our financial information of our Group in respect of FY 2019, FY 2020 and FY 2021 is set out below:

OUR COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Years ended 31 December		
	2019	2020	2021
	S\$’000	S\$’000	S\$’000
Interest income		7	7
Dividend income	7		7
Fair value adjustments on financial assets at FVTPL	7		()
Other income	-		7
Non-interest income		7	77
Total income	457,227	495,178	384,844
Employee compensation	()	()	()
Other expenses	()	()	()
Total expenses	()	(a) . 7() () 7 ()	()

Years ended 31 December

<u>2019</u>	<u>2020</u>	<u>2021</u>
S\$'000	S\$'000	S\$'000
344,628	321,075	327,238

Net profit for the year

Other comprehensive income:

*Items that may be reclassified subsequently
to profit or loss:*

	<u>As at 31 December</u>		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
	S\$'000	S\$'000	S\$'000
LIABILITIES			
Current liabilities			
Trade payables			7
Current income tax liabilities		7	
	7	7	
Non-current liabilities			
Deferred income tax liabilities			7
			7
Total liabilities	7		
NET ASSETS	3,527,917	4,671,892	4,2(4)-300956 -300956(009)

The following discussion of our results of operations and financial position should be read in conjunction with “Appendix D – Reporting Auditor’s Report on the Audited Combined Financial Statements of Yangzijiang Financial Holding Ltd. and its Subsidiaries for the Financial Years Ended 31 December 2019, 2020 and 2021” to this Document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Document, particularly in the section entitled “Risk Factors” of this Document. Under no circumstances should the inclusion of

Our Group also intends to deploy a portion of the recycled capital into our newly established offshore Investment Management Business in Singapore. Overall, the reinvestment strategy will help to diversify our Group's exposure and credit risk arising from microfinancing and entrusted loans into different asset classes and geographical markets.

After the Introduction, our Company intends to enter into the Fund/Wealth Management Business to generate recurring fee-based income from managing third party investment funds and provision of wealth management services via acquisition of a CMS-licensed fund management company or setting up a fund management company in Singapore. In particular, after the Introduction, our Company intends to enter into sale and purchase agreements with the shareholders of GEM to acquire their entire shareholding interests in GEM. In-principle approval from the MAS for the

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Interest income

Interest Income, our main revenue generator in the Period Under Review, is derived from our Group's Debt Investments. As part of the Debt Investment Business, our Group also invests in Debt Investments comprising fixed interest debt instruments through intermediary financial institutions for specific borrowings arranged by such intermediaries.

During the Period Under Review, we offered loans principally under the format of term loans. A term loan provides a customer a fixed amount of loan, with maturity generally within two (2) years, at an agreed interest rate.

The proportion of the income generated by the Debt Investment Business through entrusted loan structure arrangement is as follows:

Breakdown	FY2019	Audited FY2020	FY2021
	%	%	%
Interest income generated by the Debt Investment Business through entrusted loan structure arrangement	95.1	95.5	93.2

The breakdown of our interest income for the Period Under Review is as follows:

Interest Income	FY2019		Audited FY2020		FY2021	
	S\$'000	%	S\$'000	%	S\$'000	%
Interest income from:						
Debt investments (at amortised costs)	405,295	95.1%	406,213	97.8%	352,641	95.7%
Microfinance	20,200	4.7%	8,702	2.1%	14,918	4.0%
	425,495	99.8%	414,915	99.9%	367,559	99.7%
Cash and cash equivalents	619	0.2%	564	0.1%	1,108	0.3%
Total Interest income	426,114	100.0%	415,479	100.0%	368,667	100.0%

The maturity profile of the loans offered under our Debt Investment Business is as follows:

	FY2019		FY2020		FY2021	
	S\$'000	%	S\$'000	%	S\$'000	%
Debt investments (at amortised costs)						
Within one (1) year	2,276,618	74.1%	3,092,011	80.4%	3,736,103	95.3%
Between one (1) year to two (2) years	658,799	21.4%	723,723	18.8%	166,653	4.2%
Over two (2) years	136,667	4.5%	29,728	0.8%	17,402	0.5%
	3,072,084	100.0%	3,845,462	100.0%	3,920,158	100.0%
Microfinance						
Within one (1) year	55,212	92.9%	38,455	73.1%	27,047	72.6%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Employee compensation

Our employee compensation comprises mainly of salaries, wages and employer's contributions to defined contribution plans. Our employee compensation expense as a percentage of our total income was approximately 0.2%, 0.3% and 0.4% in FY2019, FY2020 and FY2021, respectively. Employee compensation expense incurred by our Group is small given the nature of our businesses. Though the increase for the Period Under Review was mainly due to our Group's expanding business operations.

Other expenses

Other expenses form majority of our Group's total expenses and they comprise mainly of the following items detailed in the table below:

Other expenses	FY2019		Audited FY2020		FY2021	
	S\$'000	%	S\$'000	%	S\$'000	%
Business tax on interest income from debt instruments (at amortised costs) and loans to non-related parties – microfinance	18,981	81.9%	18,786	78.6%	18,975	91.8%
Transportation expenses	56	0.2%	49	0.2%	77	0.4%
Depreciation of investment properties	–	–	407	1.7%	831	4.0%
Depreciation of property, plant and equipment	71	0.3%	93	0.4%	113	0.5%
Legal fees	665	2.9%	1,988	8.3%	2,029	9.8%
Business hospitality expenses	209	0.9%	33	0.1%	43	0.2%
Professional fees	616	2.6%	550	2.3%	1,394	6.8%
Bad debt recovery	–	–	(1,110)	(4.6)%	(6,010)	(29.1)%
Tax surcharge	2,271	9.8%	2,247	9.4%	2,289	11.1%
Others	313	1.4%	859	3.6%	924	4.5%
Total	23,182	100.0%	23,902	100.0%	20,665	100.0%

Business tax on interest income from debt instruments (at amortised costs) and loans to non-related parties – microfinance contributed to 81.9%, 78.6% and 91.8% of total other expenses incurred by our Group in FY2019, FY2020 and FY2021 respectively. Our Group has not appointed a tax adviser as at the Latest Practicable Date but will appoint one post-Introduction to provide tax advice for our Group in Singapore. Our Group's subsidiaries in the PRC have their own in-house accountants specialising in tax filings and who will handle the tax filings, including business tax and liaise directly with the PRC tax authority in the ordinary course of the subsidiaries' business. However, our Group will from time to time appoint tax advisers whenever it is necessary to do so. As at the Latest Practicable Date, the tax authorities in the PRC have not raised any key comments on our Group's tax submissions that resulted in material adjustments.

The material reversal in bad debt recovery accounted in FY2020 and FY2021 was due to some of the debts having been recovered, maturity of debts and repayment of debts.

(Allowances for)/Reversal of allowances for credit and other losses

Our Group has recorded allowances for or reversal of allowances for credit and other losses on

REVIEW OF RESULTS OF OPERATION

FY2019 and FY2020

Total Income

Total income increased by approximately S\$38.0 million or 8.3% from S\$457.2 million in FY2019 to S\$495.2 million in FY2020. Our total income is mainly derived from the following items:

Interest income

Interest income from our Group's debt investments and microfinancing loans was approximately S\$415.5 million for FY2020. This represents approximately a 2.5% decrease or S\$10.6 million from S\$426.1 million for FY2019, mainly due to a S\$11.5 million decrease or 56.9% decrease in interest income earned on our Group's microfinancing loans. This was a result of lower average microfinancing loan balance in FY2020. Interest income represented 83.9% of total income for FY2020, a 9.3% decrease from 93.2% for FY2019.

Non-interest income

Gain from net change in fair value of our investments in financial assets, at FVTPL, increased by approximately S\$61.4 million or 1653.0% from S\$3.7 million

(Allowances for)/Reversal of allowances for credit and other losses

Allowances for credit and other losses increased by S\$80.7 million or 274.5% from S\$29.4 million in FY2019 to S\$110.1 million in FY2020. The increase was mainly attributed to higher allowances for credit and other losses set out for debt investments (at amortised costs).

	Audited	
	FY2019	FY2020
	S\$'000	S\$'000
Loss allowance recognised in profit or loss during the year on:		
– Asset acquired/originated*	101,034	208,804
– Reversal of unutilised amount	(130,858)	(108,907)
– Changes in risk parameters**	55,144	7,831
	<u>25,320</u>	<u>107,728</u>

* This relates to the loss allowance recorded in profit or loss on debt investments acquired/originated in the same year and for which the debt investment remains outstanding as at balance sheet date. These debt investments dropped to Stage 2 or 3 after origination and during the financial year.

** For the performing and under-performing debt investment

Profit before income tax

As a result of the above, profit before income tax decreased by approximately 8.3% or S\$35.3 million from S\$426.0 million in FY2019 to S\$390.7 million in FY2020.

Income tax expense

In line with a lower profit before income tax, income tax expense decreased by approximately 14.5%, or S\$11.8 million from S\$81.4 million in FY2019 to S\$69.6 million in FY2020.

Net Income

Overall, net income decreased by approximately 6.8% or S\$23.6 million from S\$344.6 million for FY2019 to S\$321.1 million for FY2020.

FY2020 and FY2021**Total Income**

Total income decreased by approximately S\$110.0 million or 22.3% from S\$495.2 million in FY2020 to S\$384.8 million in FY2021. Our total income is mainly derived

Total Expenses

Our Group recorded approximately 12.7% decrease or S\$3.2 million in total expenses, from S\$25.3 million in FY2020 to S\$22.1 million in FY2021.

Employee compensation expense

Our employee compensation expense increased by approximately S\$0.03 million or 1.8% from S\$1.4 million in FY2020 to S\$1.5 million in FY2021. The increase was mainly attributable to increase in staff wages and employee headcount, though relatively negligible in terms of absolute amount.

Other expenses

Other expenses contributed approximately 93.4% of total expenses or S\$20.7 million in FY2021. This represents a 13.5% decrease or S\$3.2 million from S\$23.9 million in FY2020. The increase in other expenses was mainly attributed to a S\$0.9 million increase in professional fees from FY2020 to FY2021, offset by bad debt recovery.

(Allowances for)/Reversal of allowances for credit and other losses

Profit before/after allowances

As a result of the above changes to income and expenses, profit before allowances decreased by approximately 22.8%, or S\$107.1 million from S\$469.8 million for FY2020 to S\$362.7 million for FY2021. This decrease was fully offset by an approximately S\$119.3 million change in (allowances for)/reversal for credit and other losses from an allowance of S\$110.1 million for FY2020 to a reversal of allowance of S\$9.2 million for FY2021. The change in allowances was mainly attributed to an approximate S\$117.8 million decrease in impairment expense recognised from debt investments in FY2021.

As a result, profit after allowances increased by 3.4% or S\$12.2 million from S\$359.7 million as at FY2020 to S\$371.9 million as at FY2021.

Share of results of associated companies, net of tax

Share of results of associated companies, net of tax, increased by 78.4% or S\$24.3 million from S\$31.0 million in FY2020 to S\$55.3 million in FY2021. This was mainly due to increased share of

Current assets

As at 31 December 2019, our current assets stood at approximately S\$2.4 billion, and mainly comprised cash and cash equivalents, financial assets at FVTPL, debt investments (at amortised costs), and trade and other receivables. Debt investments (at amortised costs) was one of the largest components of our current assets and comprised fixed interest debt instruments through intermediary financial institutions for specific borrowings arranged by these intermediaries. Debt investments (at amortised costs) accounted for approximately S\$2.0 billion or 56.2% of our total assets.

Non-Current liabilities

Our total liabilities stood at approximately S\$92.7 million as at 31 December 2019. Non-current liabilities stood at approximately S\$21.4 million, and comprises of deferred income tax liabilities. This comprises approximately S\$17.7 million from undistributed profits of subsidiaries, and S\$3.6 million from net fair value gains, accounting for 19.1% and 3.9% of total liabilities respectively.

Current liabilities

Our current liabilities stood at approximately S\$71.3 million as at as of 31 December 2019, and mainly comprised other payables of approximately S\$11.7 million and current income tax liabilities of approximately S\$59.7 million, which accounted for approximately 12.6% and 64.4% of total liabilities respectively.

Equity

Our total equity stood at approximately S\$3.5 billion as at 31177(o)-30.16(l)-30.1177(y)-580.11roxim5 i.a, an

Debt investments (at amortised costs) decreased by approximately 8.5% or S\$64.0 million from S\$753.9 million as at 31 December 2019 to S\$689.9 million as at 31 December 2020. The decrease was mainly attributed to the reclassification of loans due in the next year to current assets instead of non-current assets and this change is not offset by new loans with tenure of more than one (1) year.

Trade and other receivables increased by approximately 1721.1% or S\$60.7 million from S\$3.5 million as at 31 December 2019 to S\$64.2 million as at 31 December 2020. The increase was mainly due to a S\$50.1 million loan to a related party.

Investments in associated companies decreased by approximately 10.5% or S\$27.5 million from S\$261.9 million as at 31 December 2019 to S\$234.3 million as at 31 December 2020. The decrease was a result of return of capital and disp005(h)-30.0956(e)TJ -(m)TJ 290.728 0 Td(n)-30.1005(o)-548.

Our Group obtained these properties as we were of the view that there is value in the properties and our Group is willing to hold on to the properties for capital appreciation. Save as disclosed in the foregoing, our Group does not accept payments other than cash. However, if our Group is familiar with the borrower's asset which is being sold via a court process due to the borrower's inability to repay its loan, our Group may consider making an

Non-Current liabilities

Our total liabilities stood at S\$169.7 million as at 31 December 2020. Our non-current liabilities represented approximately 30.5% of our total liabilities, increased by approximately S\$30.5 million or 142.8% from approximately S\$21.4 million as at 31 December 2019 to approximately S\$51.8 million as at 31 December 2020.

This was mainly attributable to an increase in deferred income tax liabilities of approximately S\$30.5 million from approximately S\$21.4 million as at 31 December 2019 to approximately S\$51.8 million as at 31 December 2020 due to S\$30.5 million additional deferred tax liabilities recorded in relation to undistributed profits of subsidiaries and net fair value gains.

Current liabilities

Our current liabilities increased by approximately S\$46.5 million or 65.2% from approximately S\$71.3 million as at 31 December 2019 to S\$117.9 million as at 31 December 2020 mainly due to an increase of approximately S\$33.6 million or 288.5% in other payables from approximately S\$11.7 million as at 31 December 2019 to S\$45.3 million as at 31 December 2020 as a result of an increase in other payables to non-related parties.

Current income tax liabilities increased by approximately 21.6% or S\$12.9 million from S\$59.7 million as at 31 December 2019 to S\$72.6 million as at 31 December 2020. This was because credit loss is only tax deductible when realised, and the increase in current tax liabilities is offset by an increase in deferred tax assets recorded on impairment losses.

Equity

Total equity increased approximately 32.4% or S\$1.1 billion from S\$3.5 billion as at 31 December 2019 to S\$4.7 billion as at 31 December 2020. Total equity of our Company could be attributed to owner's net investment, combined capital, other reserves, foreign currency transaction reserves and retained earnings.

Owner's net investment represents net funding position fro

As at 31 December 2021

A review of the financial position of our Group as at 31 December 2021 is set out below:

Non-Current assets

Our total assets decreased by approximately 9.1% or S\$441.7 million from approximately S\$4.8 billion as at 31 December 2020 to approximately S\$4.4 billion as at 31 December 2021. Non-current assets decreased by approximately 40.6% or S\$627.4 million from S\$1.5 billion as at 31 December 2020 to S\$918.7 million as at 31 December 2021. This is mainly attributable to a decrease in debt investments (at amortised costs) of 77.6% or S\$535.2 million, from S\$689.9 million as at 31 December 2020 to S\$154.7 million as at 31 December 2021. The decrease was mainly due to the decrease in debt investments. This decrease was not offset by an increase in other non-current assets.

Financial assets decreased by approximately S\$27. million from S\$454. million as at 31 December 2020 to S\$27. million as at 31 December 2021. The decrease was mainly attributed to a decrease in listed equity securities of S\$2. million.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other reserves increased by approximately 12.5% or S\$1.7 million from S\$13.4 million as at 31 December 2020 to S\$15.0 million as at 31 December 2021 due to an increase in statutory reserves.

Retained earnings increased by approximately 22.2% or S\$162.0 million from S\$730.2 million as at 31 December 2020 to S\$892.3 million as at 31 December 2021 due to profits within the period.

REVIEW OF CASH FLOW STATEMENT

The following table sets out a summary of our Group's cash flow for FY2019, FY2020 and FY2021:

	FY2019	Audited FY2020	FY2021
	S\$'000	S\$'000	S\$'000
Net cash provided by/(used in) operating activities	518,242	(611,687)	801,057
Net cash provided by/(used in) investing activities	54,119	(129,001)	141,448
Net cash (used in)/provided by financing activities	(437,834)	605,828	(948,573)
Net increase/(decrease) in cash and cash equivalents	134,527	(134,860)	(6,068)
Cash and cash equivalents at the beginning of the period	24,394	155,168	25,863
Effects of currency translation on cash and cash equivalents	(3,753)	5,555	(1,421)
Cash and cash equivalents at the end of the period	155,168	25,863	18,374

In relation to the changes in working capital in the combined statements of cash flows, there was a negative outflow of debt investments (at amortised costs) amounting to approximately S\$490.8 million for FY2020 due to additional investments by our Group during FY2020, which was incurred in the normal course of our Group's business.

FY2019

A review of the liquidity and capital resources of our Group for FY2019 is set out below:

Net cash provided by/(used in) operating activities

In FY2019, our Group recorded net cash provided by operating activities of approximately S\$518.2 million, which was a result of profit after income tax of S\$344.6 million and adjustments for items such as (i) Income tax expenses of S\$81.4 million, (ii) Dividend income of S\$27.4 million, (iii) Share of results of associated companies, net of tax of S\$22.3 million, (iv) Fair value gain on financial assets at FVTPL of S\$3.7 million, (v) Depreciation of property, plant and equipment of S\$0.07 million, and (vi) working capital inflows of S\$191.3 million. Working capital inflows were due to the following:

- (i) an increase in trade and receivables of S\$116.3 million;
- (ii) a decrease in other payables of S\$0.5 million; and
- (iii) an increase in debt investments (at amortised costs) at S\$75.5 million.

Net cash provided by/(used in) investing activities

Net cash provided by investing activities amounted to approximately S\$54.1 million mainly due to proceeds from (i) the return of capital by associated companies of S\$24.6 million, (ii) Proceeds from sale of financial assets, at FVTPL of S\$20.0 million, and (iii) Dividend received of S\$27.4 million. This was partially offset by (i) the purchase of property, plant and equipment of S\$17.1 million, (ii) the purchase of investments of S\$12.2 million, and (iii) the purchase of financial assets at FVTPL of S\$10.9 million.

Net cash provided by/(used in) investing activities

Net cash used in investing activities amounted to approximately S\$129.0 million mainly due to (i) proceeds from sale of financial assets at FVTPL of S\$42.6 million, (ii) proceeds from disposal of associated company of S\$39.9 million, (iii) return of capital by associated companies of S\$34.8 million, and (iv) dividend received of S\$14.1 million. This was offset by (i) the acquisition of financial assets at FVTPL of S\$255.0 million (ii) purchase of property, plant and equipment of S\$0.7 million (iii) additions to investment properties of S\$0.7 million, and (iv) additions to investments in associated companies of S\$4.0 million.

Net cash provided by/(used in) financing activities

Net cash provided by financing activities amount to approximately S\$605.8 million, mainly due to proceeds from capital injection of S\$2.0 billion attributable to the incorporation of Jiangsu New Yangzi Commerce, a dedicated Investment Business legal entity in 2020. This was partially offset by the reduction in the owner's funding from YSL Group of S\$1.3 billion.

Cash and cash equivalents

As a result of the above and effects of currency translation amounting to an addition of S\$5.6 million, there was a net decrease of approximately S\$129.3 m

Net cash provided by/(used in) investing activities

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

SEASONALITY

We generally do not experience any significant seasonality patterns in the context of our Group's overall operations and business.

SIGNIFICANT ACCOUNTING POLICY CHANGES

Our audited combined financial statements as at and for the years ended 31 December 2019, 2020 and 2021 have been prepared in accordance with the SFRS(I)s.

The accounting policies have been consistently applied by our Group during the Period Under Review. We expect that the adoption of new or revised accounting standards issued but not yet effective for the Period Under Review will have no material impact on our future financial statements. Please refer to the section entitled "Significant Accounting Policies" in "Appendix D – Reporting Auditor's Report on the Audited Combined Financial Statements of Yangzijiang Financial Holding Ltd. and its Subsidiaries for the Financial Years Ended 31 December 2019, 2020 and 2021" to this Document, for details on our Group's accounting policies.

We have no intention to make changes to our Group's accounting policy in the 12 months following the Introduction that may result in material adjustments to the financial information disclosed in this Document.

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BUSINESS

HISTORY

Overview

Our Company was incorporated in Singapore as “Yangzijiang Financial Holding Pte. Ltd.” on 14 December 2021 under the Companies Act, as a private company limited by shares. In preparation for the Introduction, we undertook the Restructuring Exercise, pursuant to which our Company became the holding company of our Group. Please refer to the section entitled “Restructuring Exercise” of this Document for further details.

Our Company was converted into a public company and renamed “Yangzijiang Financial Holding Ltd.” on 25 March 2022.

Key Milestones

The table below sets forth our key milestones:

Year	Milestone
2008	Commencement of Debt Investments
2009	Commencement of PE investments by venturing into PE Funds
2010	Establishment of Jingjiang Runyuan on 13 June 2010 Obtained business licence in respect of the Debt Investment Business
2019	Investment income doubled to RMB2.0 billion from RMB1.0 billion in 2011
2020	Establishment of Jiangsu New Yangzi Commerce on 2 June 2020 Achieved a doubling of investment size from RMB10 billion in 2011 to RMB20 billion in 2020
2022	Establishment of Jiangsu Yangchuan on 8 February 2022

BUSINESS OVERVIEW

Upon the completion of the Restructuring Exercise, the principal business of our Group will comprise the (i) Investment Management Business, which seeks capital appreciation and investment income from investments in both public and private companies and Funds, as well as deploying funds into various situations; and the (ii) Debt Investment Business, which is made up primarily of Debt Investments (at amortised costs).

Prior to the Restructuring Exercise, the Debt Investment Business’s main objective is to generate predictive income while ensuring adequate financial liquidity for projected growth. To achieve its investment objective, the Debt Investment Business has been investing its excess cash into short-term entrusted loans. Pursuant to the Restructuring Exercise and as an independent investment management company, we will reposition our Debt Investment Business to focus on Fund Investments with a view to generate sustainable long-term returns.

The investment principal arising from the matured entrusted loans will be partially recycled into investments with a longer investment horizon, such as private debt and mezzanine Funds, under the Investment Management Business. As such, going forward, revenue arising from the Debt Investment Business will reduce and the revenue arising from the Investment Management

Our key investment policies are as follows:

- each single investment shall not be more than 10.0% of our Group's total investment amount; and
- exposure to each single issuer, company, sponsor and counterparty shall not exceed 15.0% of our Group's total investment amount.

Details of Investment Portfolio

The Investment Portfolio is diversified across twelve (12) PE Funds and twelve (12) GPs, six (6) of which are located in the Jiangsu Province, four (4) of which are located in Shanghai, with the remaining two (2) located in Guangdong Province and Anhui Province. The twelve (12) Fund

Please refer to the diagram below for the percentage of our Group's investment stakes in the Investment Portfolio for FY2019, FY2020 and FY2021.

Name of associated companies	Principal activities	Place of business/ country of incorporation
-------------------------------------	-----------------------------	------------------------------------------------------------

Our Group is not the single largest holder in the GPs which our Group has an interest in or shareholder of any of the associated companies. The remaining holders in such GPs and/or shareholders of such associated companies are independent third parties.

While our Group generally invests as a LP in our PRC Fund Investments, we typically contribute to a substantial share of the Fund size. Although our Group exercises influence over our Fund Investments, including the veto right over investment decisions by way of a board seat on the investment committees of some of the Portfolio PE Funds, we only have a limited ability to monitor the investments made by the Portfolio PE Funds, including wh ~~003.07(d)(3)-(s)-30.1062(s)-30.0952(t)~~

- visiting fund offices, investees, and pipeline projects;
- analysing fund economics; and
- assessing fund operations (e.g. back office operations, hiring processes).

Fund Investments where our Group act as the GP or co-GP of the relevant Fund

Fund Investments that are owned and/or managed and/or advised by our Group have been designed to have differentiated mandates and strategies so

BUSINESS

Following the identification of a potential Investment, our Group Investment Department will circulate the deal proposal to the Investment Committee ahead of the Investment Committee meeting at which the investment opportunity will be tabled for discussion and deliberation. The Investment Committee will then decide whether to proceed with the proposed investment, considering the Fund's investment objective and focus. Upon obtaining preliminary approval for the investment, the Investment Department will conduct a detailed due diligence process including legal, financial and operational due diligence. A final assessment along with valuation and investment recommendation on the proposed investment will be submitted to the Investment Committee for final approval. Investments will be made after the execution of transaction documents and satisfaction of conditions precedent therein. During the investment period, the Investment Department will conduct ongoing monitoring and engage in regular communication with the management of the investee company.

All investments made by each Fund that our Group manages shall be subject to the approval of respective Fund's investment committee. For the avoidance of doubt, where our Group's subsidiaries act as fund managers, they will be part of the investment committee of the respective Funds. For investments valuing above S\$60.0 million (or RMB300.0 million or equivalent value in other currencies) and/or requiring an announcement to be made, they will be tabled to Group Investment Committee prior to seeking approval from the Board for the investment proposal.

In the event that our Group manages its own GP Funds or launch co-GP Funds, and where the investment opportunity may fall within the mandate or strategy of more than one (1) Fund Investment, the Investment Committee will discuss, with the recommendation of the CIO – Singapore or CIO – PRC, in good faith the allocation of such investment opportunity. In coming to a determination on the allocation of such investment opportunity, the Investment Committee may consider the:

- (i) presence of any pre-emptive rights;
- (ii) nature of investment – property type, investment size, risk profile, location, holding structure and currency risk;
- (iii) investment returns and investment hurdles of the Fund Investments;
- (iv) availability of financial resources, where applicable, the certainty of funding, type of funding, the amount of committed capital available for investment, availability of loan financing and the corresponding cost of capital for the different financial resources. In the case of private equity closed-end funds, the amount of committed funds available for investment (in total and within the diversification limits);
- (v) timing of transaction, where applicable, the timing constraint of the investment opportunity, if any, and the execution process;
- (vi) regulatory considerations and restrictions; and
- (vii) any other specific reasons e.g. prior experience in dealing with the counterparty.

Taking into account the above and other considerations, if an investment opportunity is assessed to be suitable for more than one (1) Fund Investment, such investment opportunity will be further reviewed for determination as to the type of portfolio allocation to utilise and whether it is suitable for joint investment, via co-investment or otherwise, and be allocated to multiple Fund Investments. The portfolio allocation strategy will be reviewed by the Investment Committee and

During the Period Under Review, we offered loans principally under the format of term loans. A term loan provides a customer a fixed amount of short-term loan, with maturity generally within two (2) years, at an agreed interest rate within a short period after execution of the loan documents.

Business Process

Our business process typically starts with identifying potential customers and covers acceptance of loan or Debt Investment application, pre-loan or Debt Investment due diligence, loan or Debt Investment application review and approval, grant of loan or Debt Investment, post-loan or Debt Investment monitoring and collection. As a local microfinance and debt investment company, we consider risk management to be an essential element for a healthy and proper functioning of our business, and have put in place a risk management system that is integrated with our business process. The following is a summary description of our business process:

Identification of Potential Customers

Our customers are generally identified through word of mouth, visits from potential customers, referrals from banks, intermediary financial institutions such as trusts, securities brokers and Funds), wealth companies, as well as our customers.

Acceptance of Loan or Debt Investment Application

We require a loan or Debt Investment applicant to provide certain basic information to determine whether the loan or Debt Investment application is eligible to be accepted. Loan or Debt Investment applications that do not meet our basic customer eligibility requirements are liable to be rejected by our business manager without proceeding further.

Pre-loan or Debt Investment Due Diligence

~~may vary according to the nature of the business operation and the amount and term of the loan applied for or Debther.~~
We will proceed with detailed due diligence exercise on an applicant if the loan or Debt Investment application passes our preliminary assessment. While the scope of such due diligence exercise may vary depending on a variety of factors such as the applicant's scale of business operation, the industry of the applicant's business, the amount and term of the loan applied for or Debther.

Loan or Debt Investment Application Review and Approval

The key terms and conditions of a loan or Debt Investment, such as the principal loan or investment amount, interest rate, quality and sufficiency of guarantees and collaterals (if any) and term of loan or Debt Investment, are considered and approved in the loan or Debt Investment application review and approval process. Loans or investment amounts in the amount of S\$1.0 million or above must be approved by our Investment Committee which is headed by our Executive Chairman, Mr. Ren Yuanlin, while loans or investment amounts in the amount of less than S\$1.0 million can be approved by our Executive Chairman, Mr. Ren Yuanlin, without seeking the approval of our Investment Committee, who as the head of our Investment Committee which comprises six (6) members, is vested with the right to veto a loan or Debt Investment application.

Grant of Loans or Debt Investments

After a loan or Debt Investment application is approved, we will proceed with the execution of loan or Debt Investment documents, which may include a term loan agreement a guarantee agreement or a collateral agreement (as applicable), or other documentation in relation to the Debt Investment. If any collateral provided is registrable, we proceed with registering our security interest in such collateral with the relevant government authorities before release of the loan or entry into the Debt Investment.

Post-loan Monitoring and Collection

We continue to monitor our customers' abilities to repay our loans and Debt Investments after drawdown. Our business managers conduct periodic site visits and gather updated information to

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Management of Non-Performing Loans

Our Group adopts the following policy to manage non-performing loans:

- After a loan has a default risk, our business department will promptly notify our audit and risk control department.
- If the loan is overdue for more than fifteen (15) days, our business, audit and risk, and legal affairs departments will discuss and prepare a written report to be submitted to the senior management for approval to decide whether the case should be transferred to our legal affairs department. Before any formal transfer of the case, a case disclosure meeting will be held and a representative from our legal affairs department will be designated to the case. In the event of an emergency and rapid seizure of assets is required, our legal affairs department will immediately initiate such measures after consultation with the senior management.
- For major cases that require representation by external lawyers, an in-principle agreement for such representation by external lawyers will be drafted by our legal affairs department and shall be implemented after being reviewed by the senior management and approval has been sought from our Executive Chairman.
- Our legal affairs department analyses non-performing loans on a monthly basis and submits a progress report on the handling of such non-performing loans to our Executive Chairman within the first ten (10) days of the following month, as well as copies of such progress reports to relevant heads of departments.
- Our audit and risk control department also tracks and summarises any non-performing loans which are at risk of litigation and reports the situation to the head of our legal affairs

BUSINESS

Interest Rate

In relation to microfinancing loans, our revenue comprised principally interest income which arises from interest we charged on the micro and small loans extended to our customers. We generally adopt an initial standard rate which is benchmarked to the statutory and guiding interest rate ceilings stipulated under applicable regulatory rules, regulations and guidance (i.e. currently, four (4) times of the PBOC Benchmark Interest Rate). Depending on factors such as the background, credit history and financial status of the loan applicant, whether any securities are provided, the value of collaterals, the quality of the guarantee, and the intended use and term of the loan, and upon request from and negotiations with a loan applicant, we may agree to offer an interest rate lower than that of our standard rate on a case-by-case basis. We do not charge additional administrative fees or handling charges besides interest payments. We generally require interest payments to be settled on a quarterly basis during the term of the loan.

Our Loan and Debt Investments Portfolio

During the Period Under Review, loans offered to and undertaken by our customers and Debt Investments generally ranged from RMB6,000 to RMB150,000,000 and RMB3,250,000 to RMB1,500,000,000 respectively, which are either backed by corporate and/or personal guarantees and/or secured with collaterals, with maturity generally within two (2) years. Repayment terms of our loans and Debt Investments are generally structured with quarterly interest payments and repayment of principal upon maturity of the loans and Debt Investments. As at 31 December 2021, approximately more than 90.0% of the loans offered to and undertaken by our customers and Debt Investments will mature within one (1) year.

The following table sets forth certain of our key operational statistics during the Period Under Review:

RMB'000	FY2019		FY2020		FY2021	
	Debt Investments (at amortised costs)	Microfinancing Loans	Debt Investments (at amortised costs)	Microfinancing Loans	Debt Investments (at amortised costs)	Microfinancing Loans
Total outstanding loans/Debt Investments receivable as at the end of the year	15,894,655	307,415	18,963,511	259,477	18,494,915	175,641
Total outstanding loans/Debt Investments receivable less allowance for impairment losses as at the end of the year	14,428,382	302,110	16,957,689	242,144	16,581,505	153,681
Total amount of new loans/Debt Investments granted/obtained during the year	13,647,168	5,100	24,015,718	407,329	21,931,820	101,743
Outstanding amount of loans to connected persons as at the end of the year ^(a)	–	–	–	–	177,000 ^(g)	–

RMB'000	FY2019		FY2020		FY2021	
	Debt Investments (at amortised costs)	Microfinancing Loans	Debt Investments (at amortised costs)	Microfinancing Loans	Debt Investments (at amortised costs)	Microfinancing Loans
Non-performing Debt Investments as at the end of the year – Gross carrying amount ^(b)	2,363,915	–	3,262,969	–	3,011,078	–
Non-performing Debt Investments as at the						

Our Group recorded non-performing loan ratios on debt investments (at amortised costs) of 14.8%, 17.2% and 16.3% in FY2019, FY2020 and FY2021, respectively. Our Group has underperformed respect

Please refer to the section entitled "Business – Debt Investment Business – Management of

To mitigate the credit risk of collaterals via (i) guarantees by non-related individuals; (ii) guarantees by non-related corporations; and (iii) unlisted shares in PRC, our Group has in place the following measures:

(i) Guarantees by Non-Related Individuals

- Perform legal and financial due diligence on the non-related individual guarantor to ensure they are financially sound and have good standing credit record, and no criminal record or involvement in gahl

According to the provisions of the Lending General Provisions (《贷款通则》), the term “entrusted loans” refers to loans for which funds are provided by an entrusting party such as a government department, unit of an enterprise or institution, or an individual, of which the use is supervised and the recovery assisted by the lender (being the entrusted party) in accordance with the loan beneficiary, purpose, amount, term, interest rate, etc. determined by the entrusting party. The lender (being the entrusted party) is entitled to receive service fees but does not bear the loan risk.

As the entrusting party, Jiangsu New Yangzi Commerce will disburse funds to borrowers via entrusted financial firms (who are licensed financial intermediaries such as microfinance companies and banks). Under such arrangement, Jiangsu New Yangzi Commerce can undertake the Debt Investment Business through entrusted loan structure arrangement by conducting its business via the entrusted financial firms, as the entrusting party, and does not require a licence. This is unlike the entrusted financial firms, such as microfinance companies (like Jingjiang Runyuan) and banks, which act as the entrusted lender who directly provides loans to the borrowers and requires the requisite licence to provide such loans. The Legal Adviser to our Company as to PRC Law, Jingtian & Gongcheng, and the Legal Adviser to the Issue Manager as to PRC Law, King & Wood Mallesons, have confirmed that such arrangement of Jiangsu New Yangzi Commerce to undertake the Debt Investment Business through entrusted loan structure arrangement does not breach the applicable PRC Laws, and is in compliance with Jiangsu New Yangzi Commerce’s business licence.

There are three (3) parties to the entrusted loan contracts entered into by Jiangsu New Yangzi Commerce. Specifically, (a) Jiangsu New Yangzi Commerce acts as the entrusting party; (b) the licensed third-party service providers, such as banks, act as the entrusted party; and (c) end-borrowers act as the borrowers. As such, Jiangsu New Yangzi Commerce has the discretion to decide whether to enter into the entrusted loan contract with a particular end-borrower. Given that the entrusted loan contract is legally binding on all the three (3) parties, Jiangsu New Yangzi Commerce, as a party of the entrusted loan contracts, is entitled to take action against or pursue payments from the end-borrower directly. In the event of disputes with the end-borrowers or enforcement of repayment of the entrusted loans, the end-borrower is the party which Jiangsu New Yangzi Commerce can take action against or pursue payments from, given that Jiangsu New Yangzi Commerce is a party of the entrusted loan contracts. While Jiangsu New Yangzi Commerce usually enters into tripartite contracts, the entrusted loan contracts will clearly state that the licensed third-party service providers, such as the banks, are extending the loans to the end-borrowers pursuant to the entrustment of Jiangsu New Yangzi Commerce. As such, the Legal Adviser to our Company as to PRC Law, Jingtian & Gongcheng, as at the Latest Practicable Date, and the Legal Adviser to the Issue Manager as to PRC Law, King & Wood Mallesons, have confirmed that Jiangsu New Yangzi Commerce would not be considered as extending loans directly to the end-borrowers under such circumstances.

Our Company confirms that, as at the Latest Practicable Date, Jiangsu New Yangzi Commerce has not been included in the Professional Lender Directory previously. Pursuant to the Minutes of the National Court Civil and Commercial Trial Work Conference (《全国法院民商事审判工作会议纪要》), if a same lender repeatedly engages in remunerative private lending activities within a certain period of time, the lender may be regarded as a professional lender and the loan contracts entered into by such professional lender will be regarded as invalid. The LFRB, which is the relevant PRC government authority responsible for the supervision of Debt Investment Business through entrusted loan structure arrangement of microfinance companies of Jingjiang City, has confirmed during the consultation that entrusted loan contracts with Jiangsu New Yangzi Commerce entered by microfinance companies are considered financial loan contracts and not private lending contracts. Further, the Wuxi Branch of China Banking and Insurance Regulatory

authority responsible for the supervision of Debt Investment Business through entrusted loan structure arrangement of banks of Wuxi City, has also confirmed during the consultation that entrusted loan contracts with Jiangsu New Yangzi Commerce entered by banks are considered financial loan contracts. Given the above considerations, the Legal Adviser to the Company as to PRC Law, Jingtian & Gongcheng, and the Legal Adviser to the Issue Manager as to PRC Law, King & Wood Mallesons, are of the view that the likelihood that the Debt Investment Business through entrusted loan structure arrangement conducted by Jiangsu New Yangzi Commerce via licensed third-party service providers would cause Jiangsu New Yangzi Commerce to be considered as a "professional lender" by the PRC authorities is remote. Notwithstanding the foregoing, in the unlikely event Jiangsu New Yangzi Commerce is deemed to be a professional lender, the Legal Adviser to the Company as to PRC Law, Jingtian & Gongcheng, and the Legal Adviser to the Issue Manager as to PRC Law, King & Wood Mallesons, have confirmed that Jiangsu New Yangzi Commerce will still be entitled to claim back the principal amount of the loans and reasonable amount of the cost of fund (which will be determined based on the standard interest rate declared by PBOC) during the lending period under the respective agreements according to PRC Laws, but Jiangsu New Yangzi Commerce mngH.1152(e)-3093(l)-30.1189(e)-30.0956(t)]TJ -(e)-30.0956(d)-313.925(b)-30.0956

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BUSINESS

Based on the Interim Detailed Rules on Supervision and Penalties of Rural Microfinance Companies in Jiangsu Province (蘇省農村小額貸款公司監管處罰暫行規定), which includes the specific rules on the supervision and punishment of rural microfinance companies within the jurisdiction of the Jiangsu Province. The regulatory actions/penalties which the authorities may impose for each of the non-compliances are as follows:

Non-Compliance

Regulatory Action/Penalty

The balance of some loans granted by Jingjiang Runyuan to the same borrower may have exceeded 10.0% of its net assets

The following measures may be imposed individually or in combination, with item (1) (i.e. a regulatory talk) occurring as a first step:

- (1) Regulatory talk;
- (2) Suspend the creative business⁽¹⁾;
- (3) Suspend security business; or
- (4) Limitation on financing may be imposed

Both (a) the aggregate value of micro loans outstanding and (b) the aggregate value of AFR micro loans (based on the definition of PBOC statistics) outstanding were below 70.0% of Jingjiang Runyuan's total loans outstanding under the Debt Investment Business

The following measures may be imposed individually or in combination, with item (1) (i.e. a regulatory talk) occurring as a first step:

- (1) Regulatory talk;
- (2) Suspend the creative business⁽¹⁾;
- (3) Suspend security business; or
- (4) Limitation on financing may be imposed

The amounts of some loans granted by Jingjiang Runyuan have exceeded the aforesaid upper limit of RMB3,000,000

No specific penalties for this item

The total loan and entrusted loan amounts granted by our Debt Investment Business have exceeded 100.0% of the net balance of share capital

No specific penalties for this item

No more than 30.0% of our loans granted by Jingjiang Runyuan are used for financing in the real estate market, some of which were deemed as non-compliant financing in the real estate market

No specific penalties for this item

Note:

- (1) According to the Interim Detailed Rules on Supervision and Penalties of Rural Microfinance Companies in Jiangsu Province (蘇省農村小額貸款公司監管處罰暫行規定), "creative business" comprises "cash pool", fund transfers, letters of guarantee, insurance agencies, unified loan assistance etc.

Under PRC Laws, real estate developers are not allowed to pay land premiums with funds obtained from financing. The provision of financing to real estate developers for construction funds are thus subject to various requirements by PBOC and CBRC. Consequently, if Jingjiang Runyuan provides loans to real estate developers to pay the land premium or provide loans to real estate developers who did not satisfy the requirements for the financing for construction funds, this will constitute a non-compliance on the part of Jingjiang Runyuan. As confirmed by our Company, no more than 30.0% of the loans granted by Jingjiang Runyuan are used for financing in the real estate market and some of these loans may not have been made in a compliant manner with the relevant laws and regulations.

The applicable requirements which Jingjiang Runyuan has breached are the Notice on Strengthening Supervision and Administration of Microfinance Companies (加强小额贷款公司监管的通知), which stipulates that loans granted by a microfinance company shall not be used in non-compliant financing of the real estate market. It is clarified that whilst the borrowers were reviewed on creditworthiness and security(ies), it would not be apparent solely from the review of such information as to whether the borrowers were real estate developers. Jingjiang Runyuan would have to review further information on the profile of the borrower before it can determine whether such borrower is a real estate developer. However, for the purposes of the pre-loan or Debt Investment due diligence process on these borrowers, these borrowers would usually have met the customer eligibility requirements based their financial information. While Jingjiang Runyuan was aware that some of the loans were made to real estate developers, it did not closely monitor the number of borrowers who were real estate developers and/or the usage of the loan by such real estate developers, thereby resulting in the inadvertent contravention of the relevant PRC Laws. In respect of such breaches involving loans extended to real estate developers to pay the land premium, our Group has implemented the following measures: (i) incorporating a checklist to ensure that know-your-client checks are duly conducted during the pre-loan or Debt Investment due diligence, and maintained up to date to ensure compliance with the applicable PRC Laws, and (ii) customers will be required to provide an undertaking to ensure that the use of funds are in line with the applicable PRC regulatory requirements.

The confirmation letter issued by the LFRB confirmed that no penalties have been imposed on Jingjiang Runyuan by each level of authority and Jingjiang Runyuan is allowed to continue to conduct the business in the future. Jingjiang Runyuan has also confirmed that it has not been

the non-compliances as described above; and (c) as confirmed by Jingjiang Runyuan, it has not been required to attend any regulatory talk and has also not r

Name of Customer	Industry	Business Segment	Service	FY2019	FY2020	FY2021
Jiangsu Zhongli Group Co., Ltd (點 董 朋 殷 擊 西 赤 腥 飽 泊 蕪 斌)	Manufacturing	Debt Investment Business	Provision of capital funding	–	5.7%	–
Jiangyin Rongheng Real Estate Co., Ltd (點 力 虫 莖 申 麒 飽 泊 蕪 斌)	Real Estate	Debt Investment Business	Provision of capital funding	–	6.9%	–

Note:

- (1) The name of Customer A has not been identified as there are confidentiality obligations pursuant to the agreement we have with Customer A. We have written to Customer A to seek consent for disclosure of its identity in this Document but consent was not provided.

There is no contribution from any major customers of our Debt Investment Business for FY2021 as the major customers for FY2019 and FY2020 had fully repaid the loans and Debt Investments (at amortised costs). Save as disclosed above, there are no other customers which each accounted for 5.0% or more of our Group's revenue during the Period under Review.

To the best of our knowledge, as at the Latest Practicable Date, we are not aware of any information or arrangement which would lead to a cessation or termination of our relationship with any of our major customers.

As at the Latest Practicable Date, none of our Directors, Executive Officers or Substantial Shareholders or their respective associates has any interest, direct or indirect, in, and/or are involved in the management of, any of our major customers.

To the best of our knowledge and belief, there are no arrangements or understanding with any customers pursuant to which any of our Directors and Executive Officers were appointed.

OUR MAJOR SUPPLIERS

Due to the nature of our operations, we do not have suppliers which accounted for 5.0% or more of our purchases for each of FY2019, FY2020 and FY2021.

As at the Latest Practicable Date, none of our Directors, Executive Officers or Substantial Shareholders or their respective associates has any interest, direct or indirect, in, and/or are involved in the management of, any of our suppliers.

To the best of our Directors' knowledge and belief, there are no arrangements or understanding with any suppliers pursuant to which any of our Directors and Executive Officers were appointed.

CREDIT TERMS

Due to the nature of our operations, we do not have trade receivables other than the microfinance loans for each of FY2019, FY2020 and FY2021. Please refer to the section entitled "Business –

INVENTORY

Due to the nature of our business and operations, we do not maintain any inventory.

SALES AND MARKETING

To raise our profile among our potential customers, and to increase our network of contacts, we may participate in and/or sponsor industry seminars and conferences from time to time. We may also undertake roadshows to target specific customers or as investors of our Funds.

Our investment management team is responsible for the formulation and planning of fund raising strategies and activities, as well as establishing relatio

Domain Names

As at the Latest Practicable Date, our Group owns the following domain names:

Domain Name	Registration Date	Renewal Due Date
yangzifinancial.com	26 January 2021	26 January 2024
yangzijiangfinance.com	26 January 2021	26 January 2024
yangzijiangfinancial.com	26 January 2021	26 January 2024
yzjfinancial.com	28 January 2021	28 January 2024
yzjfin.com	28 January 2021	28 January 2024

We have not encountered any issues with the renewal of our domain names in the past. Barring any unforeseen circumstances, we do not foresee any difficulties in renewing our domain names in the future.

MATERIAL LICENCES, PERMITS, APPROVALS AND GOVERNMENT REGULATIONS

Licences, Permits and Approvals

As at the Latest Practicable Date, our Group has obtained the requisite licences, permits and/or approvals for our business and operations.

Our Group has obtained the following material licences and approvals in order to carry on its Debt Investment Business and Investment Management Business in the PRC:

Name of approval/ licence/permit	Description of Approval/Licence	Licensing Body/ Authority	Date of Issue and Date of Expiry (if applicable)

BUSINESS

Name of approval/ licence/permit	Description of Approval/Licence	Licensing Body/ Authority	Date of Issue and Date of Expiry (if applicable)
Jingjiang Runyuan			
Approval for the establishment of Jingjiang Runyuan	Establishment of Jingjiang Runyuan	Financial Service Office of Jiangsu Province People's Government (鮎 藪 嘗 脍 鞞 鄩 虫 遍 臄 成 蕞 踴)	Date of Issue: 9 December 2009 Date of Expiry: Not applicable
Approval for the opening of Jingjiang Runyuan	Opening of Jingjiang Runyuan	Financial Service Office of Jiangsu Province People's Government (鮎 藪 嘗 脍 鞞 鄩 虫 遍 臄 成 蕞 踴)	Date of Issue: 4 June 2010 Date of Expiry: Not applicable
Approval for adjusting the standard of microfinance for single-customer	Adjusting the standard of microfinance for single-customer	Leading Group Office of Rural Microfinance Organisation Pilot Work of Taizhou (齧 遶 滲 昆 駟 歷 覆 丁 鷲 尊 耆 平 也 遍 臄 寮 蹶 歷 尊 成 蕞 踴)	Date of Issue: 3 August 2010 Date of Expiry: Not applicable
Approval for Jingjiang Runyuan to conduct entrusted loan business	Conduct of Debt Investment Business through entrusted loan structure arrangement	Leading Group Office of Rural Microfinance Organisation Pilot Work of Taizhou (齧 遶 滲 昆 駟 歷 覆 丁 鷲 尊 耆 平 也 遍 臄 寮 蹶 歷 尊 成 蕞 踴)	Date of Issue: 10 September 2010 Date of Expiry: Not applicable
Approval for the conduct of financing guarantee by microfinance enterprises	Conduct of financing guarantee	Financial Service Office of Jiangsu Province People's Government (鮎 藪 嘗 脍 鞞 鄩 虫 遍 臄 成 蕞 踴)	Date of Issue: 9 March 2011 Date of Expiry: Not applicable
Business Licence	Business registration	Administrative Examination and Approval Bureau of Jingjiang (圈 鮎 滲 卣 鞞 蹶 踴 躑)	Date of Issue: 26 March 2022 Date of Expiry: 12 June 2033

Name of approval/licence/permit	Description of Approval/Licence	Licensing Body/ Authority	Date of Issue and Date of Expiry (if applicable)
Jiangsu New Yangzi Commerce			
Business Licence	Business registration	Administrative Examination and Approval Bureau of Jiangsu	Date of Issue: 28 February 2022 Date of Expiry: 1 June 2070
Consultation letter regarding the establishment of Jiangsu New Yangzi Commerce	For the establishment of Jiangsu New Yangzi Commerce	Administration for Market Regulation of Jiangsu Province	Date of Issue: 28 April 2020 Date of Expiry: Not applicable
Approval for the Establishment of Jiangsu New Yangzi Commerce	For the establishment of Jiangsu New Yangzi Commerce	The Leading Group on Prevention and Disposal of Illegal Fund-raising of Jiangyin	Date of Issue: 29 April 2020 Date of Expiry: Not applicable
Approval for the Establishment of Jiangsu New Yangzi Commerce	For the establishment of Jiangsu New Yangzi Commerce	Administration for Market Regulation of Jiangsu Province	Date of Issue: 2 June 2020 Date of Expiry: Not applicable

The LFRB, which as advised by the Legal Adviser to our Company as to PRC Law, Jingtian & Gongcheng, and the Legal Adviser to the Issue Manager as to PRC Law, King & Wood Mallesons, based on public research and the Measures on Supervision and Administration of Rural Microfinance Companies in Jiangsu Province (蘇省農村小額貸款公司監管與行政措施), is the competent authority which has oversight of Jingjiang Runyuan's daily operations as a microfinance company and the areas of non-compliances by Jingjiang Runyuan, including in respect of the Interim Detailed Rules on Supervision and Penalties of Rural Microfinance Companies in Jiangsu Province (蘇省農村小額貸款公司監管與行政措施(試行)), "Notice on Strengthening Supervision and Administration of Microfinance Companies (加強對農村小額貸款公司監管與行政措施)", Circular Concerning Promoting the Sound and Fast Development of Rural Microfinance Companies (關於促進農村小額貸款公司健康快速發展的意見) (蘇銀監發〔2020〕86號), Circular Concerning Promoting the Sound and Fast Development of Rural Microfinance Companies (關於促進農村小額貸款公司健康快速發展的意見) (蘇銀監發〔2020〕86號)

Financial Bureau (規頡 虫會奈鯉) or the local Government (規頡海鹹鞞). Apart from this, for supervision purposes, the relevant PRC authorities, such as the Market Supervision Administration (滲設會化奈E 躑) and the Taxation Bureau (葦躑) may also conduct irregular inspection to our Group's PRC entities. There has been no mat

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

We are committed to being a good corporate citizen in the communities we operate and recognise that the long-term success of our Group’s business is closely intertwined with the health and prosperity of the communities in which we operate.

Our Group places sustainability at the core of everything we do. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of the communities in which we have a presence. In keeping with this commitment, sustainability-related considerations will be key aspects of our Board’s strategy formulation. We have built a firm foundation that has helped make our business resilient to the sustainability and economic challenges faced by the industries that we operate in. Our Group was

reaffirmed our commitment to continue that journey after the In Grrh drts

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Material Properties Leased by our Group

The following table sets out details of the properties leased by our Group as at the Latest Practicable Date:

Address	Registered Owner	Lessor	Lessee	Purpose	Built-up area	Term of lease	Rental Amount
Room 3005, 3rd Floor, Building 2, No. 88, Chengjiang Road, Jiangyin-Jingjiang Industrial District, Jiangsu, the PRC	Jiangyin, Jiangsu-Jingjiang Industrial District Investment Development Co., Ltd. (蘇州蘇州工業園發展有限公司)	Jiangsu Liangjiang Maker Space Technology Incubator Co., Ltd. (蘇州梁江 makerspace 孵化器有限公司)	Jiangsu New Yangzi Commerce	Non-residential	100 sq m	9 February 2022 to 8 February 2025	Nil
Room 3006, 3rd Floor, Building 2, No. 88 Chengjiang Road, Jiangyin-Jingjiang Industrial District, Jiangyin, Jiangsu, the PRC	Jiangsu, Jiangyin-Jingjiang Industrial District Investment Development Co., Ltd. (蘇州蘇州工業園發展有限公司)	Jiangsu Liangjiang Maker Space Technology Incubator Co., Ltd. (蘇州梁江 makerspace 孵化器有限公司)	Jiangsu Yangchuan	Non-residential	100 sq m	9 February 2022 to 8 February 2025	Nil

To the best of our knowledge and belief, there are no regulatory requirements or environmental issues that may materially affect our Group's utilisation of the above properties and fixed assets.

COMPETITION

Investment Management Business

We face intense competition in our Investment Management Business for investment opportunities.

Our competitors comprise primarily of managers of public and private investment Funds, investment banks, commercial finance companies and operating companies acting as strategic buyers of businesses in the jurisdictions that our Group operates in, whom we think will undertake similar investments as us, thereby having a negative impact on our AUM.

We believe that competition for investment opportunities is based primarily on the pricing, terms and structure of a proposed investment and certainty of execution. We may lose investment opportunities in the future if we do not match investment prices, structures and terms offered by competitors. At the same time, we may experience decreased investment returns and increased risks of loss if we match investment prices, structures and terms offered by competitors. Additionally, we have to continue to develop and enhance our Investment Management Business in order to remain competitive.

For a discussion of the competitive risks that are faced by our Group in our operations, please refer to the section entitled "Risk Factors – Risks Relating

BUSINESS

Debt Investment Business

According to the China Micro-credit Companies Association, as at 31 March 2021, there were a total of 6,841 microfinance companies in the PRC, of which 125, 433 and 564 microfinance companies were located in Shanghai, Guangdong Province and Jiangsu Province, respectively.⁽¹⁾ While we directly compete with local licensed microfinance companies in the Jiangsu Province, to a varying degree, we are also competing with Peer-to-Peer (P2P) lending platforms, rural banks, wealthy individuals and other unlicensed microfinance institutions that lend to SMEs, micro enterprises and individual proprietors with financing needs.

Note:

(1) Source: China Micro-credit Companies Association, "Statistical data report of Microfinance Companies in the First Quarter of 2021", published in 2021, <http://www.china-cmca.org/xyzx/hyzz/20210511/1741.html>, data accessed on 29 March 2022. The China Micro-credit Companies Association has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Document and is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Company and the Issue Manager have taken reasonable actions to ensure that the above information has been reproduced in its proper form and context, and that the information has been extracted accurately and fairly, none of our Company, the Issue Manager or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information.

COMPETITIVE STRENGTHS

We believe that we have the following competitive strengths:

We are a leading Investment Management Business and Debt Investment Business in Asia, in terms of our Group's total AUM size and/or market capitalisation, compared to other publicly listed investment management companies in Asia⁽¹⁾

Proven track record of investment management and investment return growth

Our Group has had a long-established presence in the PRC for over fourteen (14) years, where we have developed extensive local market insights and deal sourcing capabilities through our domestic relationships and network. We have demonstrated capabilities in identifying, structuring and executing investment strategies to generate sustainable investment returns over a long-term investment horizon.

As at 31 December 2021, our Group's Investment Portfolio consists of 12 Fund Investments managed by twelve (12) GPs in the PRC, covering twenty-three (23) projects with an aggregate invested amount of approximately RMB4.6 billion.

We have a well-established Debt Investment Business in the Jiangsu Province authorised to offer micro and small loan services across the province

We have been authorised to engage in micro and small loan business in the Jiangsu Province by the Jiangsu Finance Office since 2010 and have been focusing on serving the business financing needs of SMEs, micro enterprises and individual proprietors, enabling us to gain valuable local understanding of our target customers' financing needs as well as the business and credit environment they face. It also enables us to build a strong local brand reputation as a preferred partner for, as well as long-term and enduring relationships with, our customers.

We believe that our in-depth knowledge of the local market and credit environment owing to our long-term commitment in serving the Jiangsu Province market has enabled us to identify and build

with reference to its net capital and its accredited grading under the Microfinance Companies Regulatory Grading Scheme. More particularly, according to the Working Opinions on Supporting Jiangsu Rural Microfinance Companies with High Grades and Limiting the Jiangsu Rural Microfinance Companies with Low Grades (Provisional) (蘇省農村小額貸款公司監管辦法(試行)) issued by the Jiangsu Finance Office, a microfinance company with an “AA” or “AAA” grading is eligible for a maximum debt financing of 100.0% of its net capital, as compared to the lower maximum of 50.0% of net capital allowed for microfinance companies with “BBB”, “BB” or “B” grading. A microfinance company with a stronger capital base and higher grading therefore enjoys more flexibility to leverage up and expand its loan portfolio, which in turn enhances its capacity to achieve higher profitability and better Return on Equity.

As at the Latest Practicable Date Jingjiang Runyuan has a registered capital of RMB600 million and has an accredited “A” grading by the Jiangsu Finance Office pursuant to the Microfinance Companies Regulatory Grading Scheme. As such, Jingjiang Runyuan is eligible for a maximum debt financing of 80.0% of its net capital. We believe our strong capital base coupled with our accredited grading have provided, and will continue to provide, us with the flexibility and competitive edge to excel in our core businesses and support our existing businesses.

Alignment of Interests

In addition, by putting our own capital behind our ideas, we could achieve alignment of interests between our Group and our investors, portfolio companies and other stakeholders.

Active portfolio management to deliver attractive risk-adjusted returns

We believe that the combination of robust investment and risk management framework, coupled with effective asset allocation and strategy positioning are the key value drivers of our investment returns. Leveraging on our own independent in-house investment and risk management teams with in-depth local knowledge and management know-how, our Group could proactively identify quality and attractive investment projects, loans and Debt Investment opportunities, and third-party GPs, to create value for shareholders.

As at 31 December 2021, our Investment Management Business has 0 Td [(m)-30.1128(e)-30.0956(n)-34(s)-30.115

Our Group is also adapting to changing times and markets proactively to address the evolving investment landscape, in particular with an increasing focus on ESG investing. On 20 January 2022, our Group allocated RMB900.0 million into an upcoming Venture Capital investment Fund focused on sectors such as healthcare, new materials, information technology services, smart manufacturing, new energy and ecological environment industries.

Strong leadership and a deep bench of investment professionals

We have assembled a strong leadership team with in-depth experience across strategies and asset classes. On average, the leadership has about seventeen (17) years of relevant experience.

Mr. Toe, our Executive Director, CEO and CIO – Singapore, has over twenty-five (25) years of experience in Fund management and investment advisory, mergers and acquisitions, IPO deals and fundraising, throughout Asia.

Mr. Peng, our CIO – PRC, has more than ten (10) years of experience

ongoing market insights and deal flows. Through our industry focus and network of various prominent families, investment banks and sovereign wealth Funds, we are often able to obtain exclusive or limited access to investment opportunities with favourable valuations and terms.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

Currently, our Debt Investment Business conducted via the entrusted loan structure comprises 70.4% of our Group's NTA as at 31 December 2021. Upon our listing on the Mainboard of the SGX-ST, our Group intends to pare down our Debt Investment Business conducted via the entrusted loan structure to below 50.0% of our Group's NTA as at 31 December 2022 within 12 months of the Introduction and to below 30.0% of our Group's NTA as at 31 December 2023 within 24 months of the Introduction. Thereafter, it is our Group's intention to, at the end of each year, maintain the Debt Investment Business conducted via the entrusted loan structure at below 30.0% of our Group's audited NTA for the immediately preceding year. To illustrate, for FY2024, our Group will maintain the Debt Investment Business arising from the entrusted loan business at

Recycle capital from the Debt Investment Business to Fund Investments in the Investment Management Business

Pursuant to the Restructuring Exercise and as an independent investment management company, our Group will reposition its Debt Investment Business to focus on Fund Investments with a view to generate sustainable long-term returns. Jiangsu New Yangzi Commerce intends to continue entering into entrusted loan contracts via entrusted financial firms/licensed third-party service providers in the short term, subject to any changes in the relevant regulatory framework.

The investment principal arising from the matured entrusted loans will be partially recycled into investments with longer investment horizon, such as private debt and mezzanine Funds, under the Investment Management Business in the PRC. Notwithstanding this, a portion of the recycled capital will also be deployed into its newly established offshore Investment Management Business in Singapore. The reinvestment strategy will enable our Group to tap into investment opportunities in various asset classes and geographical markets, thus providing greater diversification and investment flexibility to our Investment Portfolio.

Extend our investment footprint into Singapore by partnering prominent Fund management companies to launch co-GP Funds

Our Group plans to start its Investment Management Business in Singapore via joint investments with other prominent investment management companies either as a LP or co-GP, while building

Diversify into fast-growing sectors and new asset classes

We have identified a number of key strategic areas of growth, including but not limited to the following:

Investment Strategies

Initially, we expect that our Investment Portfolio will consist primarily of Fund Investments in the PRC. Over time, however, we expect that our portfolio will consist of a well-balanced geographical mix, with PRC and Singapore investments each accounting for 50.0% of our Group's total investment amount.

Upon the completion of the Restructuring Exercise and our listing on the Mainboard of the

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- (c) “New Economy”, including but not limited to 5G, Big Data, AI, IoT, Supply Chain, Smart Logistics;
- (d) Real estate, particularly purpose-built student accommodation, data centres and aged care; and
- (e) Opportunistic investments, which will be intended to enhance our returns to investors. These investments may include, but are not limited to, PIPE investors, initial public offering anchor investors, and special situations.

We believe that our extensive network, track record and long-standing presence in the public and private markets in Singapore and the PRC represent a key competitive advantage. It will allow us to identify valuable, broad based and sustainable pipeline of investment opportunities to grow our businesses and thereby supporting our strategic growth objectives.

By end-FY2022, our Group targets to deploy approximately RMB5.0 billion (equivalent to approximately S\$1.0 billion) of our proprietary capital into offshore investments. Out of the S\$1.0 billion, approximately 50.0% will be deployed under Investment Management Business and the remaining 50.0% will be used to seed our own-general partner (GP) funds which will be managed by our in-house CMS-licensed fund manager.

Subsequently, our Group plans to gradually increase our offshore investments over the next five (5) years, such that our investment portfolio will consist of a well-balanced geographical mix, with onshore and offshore investments each accounting for 50.0% of our Group’s total investment amount.

Portfolio Allocation

The FY2022 offshore investment allocation of approximately S\$1.0 billion is expected to be equally deployed to Investment Management Business in Singapore and the Fund/Wealth Management Business (assuming the Fund/Wealth Management Business is successfully established by FY2022), i.e. approximately S\$500 million each. This is in line with our Group’s long-term investment strategy to generate sustainable investment returns over a long-term investment horizon.

To achieve this, our Group plans to, among others:

- (a) partner other prominent investment companies for joint investments under its Investment Management Business, while building on its talent pool and experiences in order to extend its investment footprint into Singapore; and
- (b) assuming the successful establishment of Fund/Wealth Management Business, launch our own-GP Funds that invest in various asset classes and expand our Fund/Wealth Management Business to expand into managing third party investment Funds and provision of wealth management services to generate recurring fee-based income.

The long-term onshore-offshore geographical mix of 50.0%:50.0% of our Group’s total investment amount is due to:

- i. the identified core markets of our Group being the PRC and Singapore; and

- ii. our Group's extensive network, track record and long-standing presence in the public and private markets in Singapore and the PRC.

Our Group will also tap into investment opportunities in emerging markets in the Asia Pacific region as well as global developed markets, via its PRC or Singapore proprietary capital pool.

As our Group executes our various growth strategies, we would look to deepen and/or add new capabilities to enhance and extend the capabilities of the current management team.

Our Group could strengthen its management team via:

- (a) Organic growth: building on our talent pool and collective experience by (i) employing global talents with diverse knowledge and experience, and (ii) partnering other prominent investment management companies for joint investments; and

GEM is also in the midst of setting up a subsidiary in Chongqing, the PRC, namely, GEM (Chongqing) Private Fund Management Co., Ltd. (關莫(* 鏞) 葦詢 寮E 饱泊蕨號) (“**GEM (Chongqing)**”). GEM has received the QDLP “allocation quota notice” issued by the Chongqing Local Financial Supervision and Administration Bureau. The QDLP programme is one that allows foreign and domestic (PRC) asset managers to raise RMB from high net worth and institutional investors in China to be channelled towards offshore investments through a Chinese product or fund. This QDLP programme is largely based on a quota i.e. the quantum that fund managers are allowed to bring out of China for investments offshore is based on the quota granted by the SAFE to various local governments. The various local governments in turn grant a part of their allocation to each applicant for the QDLP quota. For an offshore entity to participate in the QDLP programme, it will first have to apply for the “QDLP allocation quota” from the local authority, which GEM has obtained. Subsequently, to utilise its allocated quota, the fund manager then has to be licensed under the Asset Management Association of China (“**AMAC**”) and be registered as a QDLP manager. GEM (Chongqing) is in the process of fulfilling the AMAC requirements and GEM does not foresee any difficulties in fulfilling the registration requirements. Regarding the QDLP “allocation quota notice” held by GEM, GEM has commenced the process for the renewal of the QDLP “allocation quota notice” and does not foresee any difficulties in renewing this QDLP “allocation quota notice”. With the QDLP “allocation quota notice” and the completion of the registration requirements imposed by the AMAC, it will enable GEM (Chongqing) to accept third-party investment funds in the PRC.

Our Company is of the view that GEM would be able to effectively integrate with our Group for the following reasons:

- (a) Each of Mr. Ren and Mr. Toe is a director/indirect shareholder and shareholder of GEM respectively. The Chief Compliance Officer – Singapore of our Group, Mr. Terence Lee, is also currently the Head, Director of Compliance and Operations of GEM. After the completion of the GEM Acquisition, another employee of GEM will also be joining our Group. Given this, there will be a continuity in management and employees. For t

undertaking from each of Mr. Ren and Mr. Toe in the event that the GEM Acquisition does not complete without six (6) months after the Listing Date.

We also plan to launch our own-GP Funds that invest in various asset classes, which are generally aligned with our Company's overall strategy, by end of FY2022. Our Group will contribute capital into the Funds it manages and may co-invest along-side these Funds. Currently, our Group plans to seed 70.0% of Funds under its management, while the remaining 30.0% of the Funds will be from third parties. Going forward, our Group seeks to expand the Fund/Wealth Management Business under GEM or other fund management companies that we may acquire by growing our AUM and raising third-party capital to invest in various investment asset classes including but not limited to private equity, private debt, securities, and real estate. Our Group plans to contribute capital into the Funds which GEM (or other fund management companies that we may acquire) manages and may co-invest alongside these Funds. Currently, our Group intends to seed 70.0% of the FUM while the remaining 30.0% of the Funds will be seeded by third parties.

We will focus on continuing to grow management fee income through increasing the assets under management via driving organic growth potential and returns for each Investee Company, as well as distributing new Fund products and raising third party capital.

ORDER BOOK

Due to the nature of our business and operations, we do not maintain an order book.

TREND INFORMATION

Based on the financial performance and condition of our Group as at the Latest Practicable Date

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- (c) Asia is becoming a global force in capital markets, with Singapore well-poised to become one of the leading fund-raising centres in Asia. Our Group should benefit from the growing appetite and demand for investments within Singapore and Asia⁽³⁾:
- (i) in 2020, equity capital raised in the Asia Pacific region increased by two-thirds, while debt capital increased by 10.0%. The Asia Pacific accounted for more than one third of global equity proceeds as well as one-third of debt issuance for the year.
 - (ii) Singapore has a vibrant PE and IVC ecosystem, evidenced by PE/VC assets under management in Singapore having doubled over the last five (5) years. They grew by over 50.0% in 2020 despite the COVID-19 pandemic and recession, being testament to the resilience of the ecosystem. Singapore is currently home to over 370 global and regional PE/VC managers; and
 - (iii) Asia Pacific's population of ultra-high-net-worth individuals ("UHNWI") is predicted to grow by at 39.0% over the next five (5) years – much faster than the 27.0% global average, according to Knight Frank's Wealth Report 2021. By 2025, Asia will host 24.0% of all UHNWIs, up from 17.0% a decade earlier. Singapore is expected to benefit from the burgeoning wealth in the region, underpinned by its stable and progressive legal and regulatory framework, free-market credentials and wide range of Fund and wealth management solutions;⁽⁴⁾
- (d) We remain cognisant of the changes to laws, regulations and policies regulating the Debt Investment Business, Investment Management Business and Fund/Wealth Management Business, particularly in our core markets. For example, the Singapore government has recently announced a series of initiatives to attract promising high-growth companies and boost the capital markets⁽⁵⁾, including:
- (i) the Singapore government will co-invest with state investment firm Temasek in a new Fund to help companies raise capital. The Fund will start with a first tranche of S\$1.5 billion;
 - (ii) the investment arm of Singapore's Economic Development Board will establish a new Fund to invest in later-stage companies. The Fund will start with up to S\$500 million;
 - (iii) the MAS will increase its grants to help companies defray the cost of listings; and
 - (iv) the SGX-ST will help high-growth companies to raise funds privately prior to a public listing.

We believe that these initiatives will reinvigorate and fuel growth in Singapore's investment landscape, by drawing more firms to raise funds in the city-state, helping them to scale up, extract value and provide access to business connections, technology and expertise;⁽⁶⁾

- (e) Persistent inflation risks that led to policy tightening measures by major central banks, including the US Federal Reserve and MAS, may somewhat dampen market sentiment. In contrast, China's inflation pressures showed signs of easing, adding impetus for the PBOC to further cut its policy interest rate to stabilise economic growth⁽⁷⁾;
- (f) Despite the near-term outlook for global growth is somewhat clouded by various downside risks, demand for private assets is growing due to the collapse of risk premiums in other asset classes, according to the 2022 Investment Managers Outlook Survey by The

Investment Management Association of Singapore, which represents the views of global buy-side firms who manage over US\$31 trillion dollars in assets. The survey added that ESG will continue to be an important driver over the next three (3) years, with 59.0% of the respondents integrating ESG into existing strategies and more than half of them are looking into new launches of ESG and impact strategies for 2022.⁽⁸⁾

- (g) Shortage of required skills to support future business growth strategies and rising labour wage costs could also weigh on our margins; and
- (h) We also expect additional costs and expenses, mainly due to our foray into the Singapore market, coupled with the ongoing compliance costs of being a public listed company and our one-time listing expenses. However, based on the foregoing, such additional costs are not considered significant and would not have a material adverse effect on our Group's our business, financial condition, results of operations and prospects.

Notes:

- (1) Source: World Bank, "Global Economic Prospects, January 2021", published in 2021, <https://openknowledge.worldbank.org/bitstream/handle/10986/34710/9781464816123.pdf>. Washington, DC: World Bank. doi: 10.1596/978-1-4648-1612-3. Licence: Creative Commons Attribution CC BY 3.0 IGO, data accessed on 29 March 2022. The World Bank has not provided consent, for the purposes of Section 249 of the SFA, to the inclusion of the above information in this Document and is therefore not liable for such information under Sections 253 and 254 of the SFA. While our Company and the Issue Manager have taken reasonable actions to ensure that the above

The Draft Measures include, amongst others, the scope of activities subject to the filing requirement and relevant criteria for determining whether an activity falls within the scope, as well as requirements on filings of overseas securities firms who provide services for overseas securities offering and listing by domestic companies.

The details of the filing procedure in the New Draft Rules for the overseas listings of indirect or direct domestic companies are as follows:

- (a) According to the New Draft Rules, a filing-based regulatory system will be introduced to cover both direct and indirect overseas offerings and listings.^{ti}

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- (b) The main filing process for a listed issuer offering new securities is as follows:
- (i) The PRC entities shall submit the Post-Introduction Filing Documents to the CSRC within three (3) working days after the offering is completed;
 - (ii) If the Post-Introduction Filing Documents are incomplete or do not conform to stipulated requirements, the CSRC can issue a single notice requesting supplementation and amendment thereto within five (5) working days after receiving the Post-Introduction Filing Documents. The time taken to prepare the requested supplementation and amendment shall not be counted in the time limit for the filing; and
 - (iii) The CSRC will, within twenty (20) working days after receiving the Post-Introduction Filing Documents that are deemed complete and in compliance with stipulated requirements, issue a filing notice thereof and publish the filing results on the CSRC's website.

As of the date of this Document, the New Draft Rules have not been formally adopted and it is uncertain when the New Draft Rules will take effect. None of our Company's PRC subsidiaries are required to obtain, and therefore have not obtained the filing with the CSRC for the proposed Introduction based on existing PRC Laws.

Pursuant to the New Draft Rules, our Legal Adviser to our Company as to PRC Law, Jingtian & Gongcheng, and the Legal Adviser to the Issue Manager as to PRC Law, King & Wood Mallesons, understand that depending on when the New Draft Rules may take effect, the different implications are as follows:

- (a) If the New Draft Rules were to come into effect, in its proposed form, between our Company's submission of application for the proposed Introduction and the completion of the proposed Introduction, the New Draft Rules do not prescribe whether, or not, the relevant PRC entities will be required to make filing with the CSRC upon the date of effective of the New Draft Rules for the proposed Introduction.

The New Draft Rules, in their current form, do not explicitly prescribe the filing for overseas listing by PRC entities as governmental approval.

If the New Draft Rules, in their final form, provide that filing is required for any proposed overseas listing by PRC entities which have not yet completed as of the effective date of the New Draft Rules and if our Company completes the proposed Introduction after such effective date but without completing the filing procedure, the PRC entities may be subject to penalties from the CSRC and other competent authorities.

- (b) If the New Draft Rules were to come into effect, in its proposed form, after the completion of the proposed Introduction, based on the publicly available sources, such as the response of relevant officials of the CSRC to reporters' questions, the "Grandfathering principle" may be applicable, under which alternative measures may be taken in the case of such existing overseas-listed companies, such as sufficient transition period being granted for such companies who had completed their overseas listings prior to the date of implementation of the New Draft Rules. For the avoidance of doubt, the New Draft Rules do not prescribe that failure to complete filing by such companies already listed overseas will result in a loss of listing status of such companies; and

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- (c) After the New Draft Rules come into effect, in its proposed form, any indirect or direct-listed domestic companies offering new securities in overseas markets will be required to submit the Post-Introduction Filing Documents with the CSRC within three (3) working days after the offering is completed. No notification is required prior to that.

However, the provisions and anticipated effective date of the New Draft Rules are subject to change and its interpretation and implementation remain uncertain. In addition, even if the New Draft Rules come into force in the same form and content as currently proposed, the PRC governmental authorities may have wide discretion in the interpretation and enforcement of the New Draft Rules, and there can be no assurance that the PRC governmental authorities will not take a view that is contrary to or otherwise different from the opinion stated above.

DIRECTORS, MANAGEMENT AND EMPLOYEES

DIRECTORS

The Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of each of our Directors as at the date of this Document are set out below:

Name	Age	Address	Country of Principal Residence	Position
Ren Yuanlin	68	c/o 80 Robinson Road #02-00 Singapore 068898	PRC	Executive Chairman
Toe Teow Heng	53	c/o 80 Robinson Road #02-00 Singapore 068898	Singapore	Executive Director, CEO and CIO – Singapore
Chew Sutat	49	c/o 80 Robinson Road #02-00 Singapore 068898	Singapore	Lead Independent Non-Executive Director
Chua Kim Leng	53	c/o 80 Robinson Road #02-00 Singapore 068898	Singapore	Independent Non-Executive Director
Yee Kee Shian, Leon	45	c/o 80 Robinson Road #02-00 Singapore 068898	Singapore	Independent Non-Executive Director

Experience of our Directors

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Directors are set out below:

Ren Yuanlin

Mr. Ren Yuanlin (“**Mr. Ren**”) is our Executive Chairman. He was appointed to our Board on 14 December 2021. His responsibilities include providing leadership and governance of the Board so as to create the conditions for the Board’s effectiveness, and ensuring that all key and appropriate issues are discussed by the Board in a timely manner. Mr. Ren will also ensure that the Board as a whole plays a full and constructive part in the development and determination of our Group’s strategies and policies, and that Board decisions taken are in our Group’s best interests and fairly reflect the Board’s consensus. He will also ensure that the strategies and policies agreed by the Board are effectively implemented by the CEO and the management team. Mr. Ren is also responsible for establishing good corporate governance practices and procedures, and promoting the highest standards of integrity, probity and corporate governance throughout our Group and particularly, at the Board level.

Mr. Ren graduated with a college diploma from Jiangsu Radio and TV University in 1986.

Mr. Ren joined YSL (formerly known as Jiangyin Shiprepairing & Shipbuilding Cooperative) in July 1973 as a construction steel worker in its hull workshop. Mr. Ren has since held various roles in several areas, including technology management and production management, and was appointed as a director of the company in 1985. Mr. Ren was named as the President of YSL in January 2007, before YSL became publicly listed on the Mainboard of the SGX-ST in April 2007.

DIRECTORS, MANAGEMENT AND EMPLOYEES

Mr. Ren was awarded the Ernst & Young Entrepreneur Award in 2011. In 2020, Mr. Ren became the Honorary Chairman of Jiangsu Yangzijiang Shipbuilding Co., Ltd..

Toe Teow Heng

Mr. Toe Teow Heng (“**Mr. Toe**”) is our Executive Director, CEO and CIO – Singapore. He was appointed to our Board on 27 January 2022 and is a member of our Investment Committee.

As CEO, Mr. Toe will be responsible for driving the Investment Management Business and Fund/Wealth Management Businesses in Singapore and the PRC. He will develop, propose and implement, with the support of the management, our Group’s strategies and policies in pursuit of our Group’s objectives. Mr. Toe will also lead the management team in the day-to-day running of our Group’s business in accordance with the business plans, and ensure that the management team gives appropriate priority to providing reports to the Board which contain relevant, accurate, timely and clear information necessary for the Board to fulfil its duties. He will also lead the communications programme with our stakeholders, including the Shareholders.

As CIO – Singapore, Mr. Toe is responsible for developing, sourcing, executing, managing and monitoring the Investment Management Business, Fund/Wealth Management Business and marketing strategies for our Group in Singapore. He will also lead the Singapore team to expand the reach and mission of our Group through new products and services.

Mr. Toe is the co-Founder of ICH Group Ltd, an investment holding group founded and headquartered in Singapore since 2000. Before joining our Group, he was the Managing Director of ICHAM Pte. Ltd., a Fund management company that holds a CMS licence in Singapore.

Mr. Toe has over twenty five (25) years of experience in Fund management and investment advisory, mergers and acquisitions, initial public offering deals and fundraising, throughout Asia. Prior to joining ICHAM Pte. Ltd., he was an investment banker at UBS AG, DBS Bank Ltd and J.P. Morgan Singapore. He was also a Fund manager of GEM, which specialises in wealth management, private equity and Venture Capital Fund management. Mr. Toe was also involved in the Fund management and investment advisory business activities of ICH-Nikko Antfactory Fund Management Pte Ltd and ICH Asset Management Pte Ltd previously.

Mr. Toe was the Independent Non-executive Director of YSL, which is listed on the Mainboard of the SGX-ST, as well as the Independent Director and Chairman of Audit Committee of Tianjin Zhong Xin Pharmaceutical Co., Ltd., which is listed on the Shanghai Stock Exchange.

Mr. Toe holds a Bachelor of Business (First Class Honours, Gold Medal) Degree from Nanyang Technological University of Singapore, and is a Chartered Financial Analyst.

Chew Sutat

Mr. Chew Sutat (“**Mr. Chew**”) is our Lead Independent Non-Executive Director. He was appointed to our Board on 25 March 2022 and is a member of our investment committee.

Mr. Chew was senior managing director and a member of Singapore Exchange Limited’s executive management team for fourteen (14) years. Prior to Singapore Exchange Limited, Mr. Chew held senior roles at Standard Chartered Bank (Singapore) Limited, OCBC Securities Private Limited and DBS Bank Ltd, where he held varying portfolios in strategic planning and business development for institutional banking and private clients.

Mr. Chew co-founded Shan De Advisors Pte. Ltd. and serves as a Non-Executive Board Member of ICHX Tech Pte. Ltd., which operates the ADDX platform in Singapore and holds a CMS licence in Singapore. He is a Fellow of Singapore Institute of Directors and the Institute of Banking and Finance Singapore, and was awarded the Global Investor Asia Capital Markets Lifetime Achievement Award in 2021.

Mr. Chew graduated with a Bachelor of Arts (First Class Honours) degree in Philosophy Politics & Economics (PPE) from Oxford University and also holds a Master of Arts degree from Oxford

Mr. Yee read Law at Christ's College, Cambridge University on a Cambridge Commonwealth Trust Scholarship, where he graduated with honours in 2000. He went on to obtain a Master of Arts from Christ's College, Cambridge University in 2006. He also founded and chaired the Cambridge University Asian Lawyers Association, and established the Christ's College Cambridge-SJI Foundation Scholarship, a scholarship fund for St. Joseph Institution's students admitted to Christ's College, Cambridge University. He is an Advocate & Solicitor of the Supreme Court of Singapore and a Solicitor of England and Wales.

Listed Company Experience

All our Directors have prior or current experience as a director of a public listed company in Singapore with the exception of Mr. Chew.

In accordance with the requirements under the Listing Manual, Mr. Chew has been briefed on the

DIRECTORS, MANAGEMENT AND EMPLOYEES

Name	Present Directorships	Past Directorships
Mr. Yee	<p>Group Companies</p> <p>–</p> <p>Other Companies</p> <p>Caelius Pte. Ltd. Cambridge Alliance Capital Pte. Ltd. Cambridge Alliance Fund No. 1 Pte. Ltd. Char Yong (Dabu) Foundation Limited Christ's College, Cambridge Fund (Singapore) Limited Ee Hoe Hean Club F J Benjamin Holdings Ltd. Ladderman (HK) Limited Ladderman Limited LHN Logistics Pte. Ltd. Selvam LLC St. Joseph's Institution Philanthropic Fund for the Lasallian Mission Ltd.</p>	<p>Group Companies</p> <p>–</p> <p>Other Companies</p> <p>Cambridge Alliance China Group Pte. Ltd. Cambridge Alliance Global Holdings Pte. Ltd. Cambridge Alliance Realtor Pte. Ltd. Cambridge RE Assets Fund No. 1 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 10 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 11 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 2 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 3 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 4 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 5 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 6 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 7 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 8 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Fund No. 9 Pte. Ltd.⁽¹⁾ Cambridge RE Assets Pte. Ltd.⁽¹⁾ Federal International (2000) Ltd Knightsbridge Auto Pte. Ltd.⁽¹⁾ Knightsbridge Fund No. 1 Pte. Ltd.⁽¹⁾ Knightsbridge Fund No. 2 Pte. Ltd.⁽¹⁾ Krystal Titan Pte. Ltd.⁽¹⁾ Laura Ashley Holdings Plc⁽²⁾ Pacific Star Development Limited (f.k.a. LH Group Limited) Pentagon Football Centre Pte. Ltd.⁽¹⁾ Purple Sunshine Pte. Ltd.⁽¹⁾ Rabbit Colors Pte. Ltd.⁽¹⁾ Sweet Orchid Pte. Ltd. ⁽¹⁾ The Knightsbridge Group Pte. Ltd. ⁽¹⁾ Yellow Lullaby Pte. Ltd. ⁽¹⁾</p>

Notes:

- (1) This company has been struck-off.
- (2) This company is in creditors' voluntary liquidation. Please refer to the section entitled "General Information – Information on Directors, Executive Officers and Controlling Shareholders" of this Document for further information.

Lee Kam Wah Terence

Peng, Xingku

Mr. Peng Xingkui (“**Mr. Peng**”) is our CIO – PRC, and he joined the YSL Group in April 2015. Following the completion of the Restructuring Exercise, he was re-designated as the CIO – PRC of our Company. His responsibilities include developing, sourcing, executing, managing and monitoring the Debt Investments, Fund Investments and marketing strategies of our Group in the PRC. He will also lead the PRC team to expand the reach and mission of our Group through new products and services.

Mr. Peng has extensive experience in both domestic and foreign investment management. Prior to joining the YSL Group, Mr. Peng worked in the International Business Department of Jiangsu Jiangyin Rural Commercial Bank Co., Ltd from April 2010 to April 2015. From April 2015 to May 2016, he was the Deputy Chief of the Capital Business section of Jiangsu New Yangzi Shipbuilding Co., Ltd. From May 2016 to May 2017 and May 2017 to December 2019, Mr. Peng held the position of Director of the President’s Office and Investment Director of the Investment Management Department respectively in Jiangsu Yangzijiang Shipbuilding Co., Ltd.. He has been the Head of the Investment Management Department of Jiangsu Yangzijiang Shipbuilding Co., Ltd. since January 2020.

Mr. Peng obtained a Bachelor of Economics (International Economics and Trade) degree from Shandong University of Finance and Economics in June 2007 and a Master’s degree in Economics (International Trade) from the Nanjing University of Finance and Economics in April 2010.

Present and Past Directorships of our Executive Officers

The list of present and past directorships of each Executive Officer over the last five (5) years preceding the date of this Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Mr. Su	Group Companies	Group Companies
	–	–
	Other Companies	Other Companies
	Jiangyin, Jiangsu-Jingjiang Industrial Park Hongsheng Trading Co., Ltd.	–
Ms. Liu	Group Companies	Group Companies
	–	–
	Other Companies	Other Companies
	Agora Shipping Pte. Ltd.	

DIRECTORS, MANAGEMENT AND EMPLOYEES

Name	Present Directorships	Past Directorships
	Ladon Shipping Pte. Ltd.	
	Lynx Shipping Pte. Ltd.	
	Marin Shipping Pte. Ltd.	
	Misty Shipping Pte. Ltd.	
	Monoceros Shipping Pte. Ltd.	
	Moses Shipping Pte. Ltd.	
	MV TW Beijing Shipping Pte. Ltd.	
	MV TW Hamburg Shipping Pte. Ltd.	
	MV TW Jiangsu Shipping Pte. Ltd.	
	MV TW Manila Shipping Pte. Ltd.	
	NewYangzi International Trading Pte. Ltd.	
	Pegasus Shipping Pte. Ltd.	
	Perseus Shipping Pte. Ltd.	
	Petguroo Holding Pte. Ltd.	
	Petguroo Singapore Pte. Ltd.	
	Pisces Shipping Pte. Ltd.	
	Procyon and Rigel Shipping Pte. Ltd.	
	Saint Shipping Pte. Ltd.	
	Seavi Advent Asia Investments (III) Pte. Ltd.	
	Shaka Shipping Pte. Ltd.	
	Taurus Shipping Pte. Ltd.	
	Virgo Shipping Pte. Ltd.	
	Warroo Australia Pty Ltd	
	Warroo Game Meats Pty Ltd	
	Yangze Aquila Shipping Pte. Ltd.	
	Yangze Bulk Shipping Pte. Ltd.	
	Yangze Crius Shipping Pte. Ltd	
	Yangze Hydra Shipping Pte. Ltd.	
	Yangze Lionet Shipping Pte. Ltd.	
	Yangze Mars Shipping Pte. Ltd.	
	Yangze Mercury Shipping Pte. Ltd.	
	Yangze Tiger 01 Shipping Pte. Ltd.	
	Yangze Tiger 02 Shipping Pte. Ltd.	
	Yangze Tiger 03 Shipping Pte. Ltd.	
	Yangze Tiger 04 Shipping Pte. Ltd.	
	Yangze Unicorn Shipping Pte. Ltd.	
	Yangze Venus Shipping Pte. Ltd.	
	Yangzijiag Express Shipping Pte. Ltd.	
	Yangzijiag International Trading Pte. Ltd.	
	Yangzijiag Shipping Pte. Ltd.	
	Yangzijiag Taihua Shipping Pte. Ltd.	
	Yangzijiag Terminals China Holding Pte. Ltd.	
	Yitian Investments Pte. Ltd.	
	YZJ Offshore Engineering Pte. Ltd.	

DIRECTORS, MANAGEMENT AND EMPLOYEES

Name	Present Directorships	Past Directorships
Mr. Peng	<p>Group Companies</p> <p>Jiangsu Yangchuan</p> <p>Other Companies</p> <p>Hanrui Venture Capital Co., Ltd. Jiangyin, Jiangsu-Jingjiang Industrial Park Yuanrun Trading Co., Ltd. Jiangsu Ruihong Enterprise Consulting Co., Ltd. Jiangyin Yarun Metal Materials Co., Ltd. Shandong Laigang Taida Garage Co., Ltd.</p>	<p>Group Companies</p> <p>–</p> <p>Other Companies</p> <p>Jiangsu Qinli Thermoelectricity Power Co., Ltd. Jiangyin Xinyang Enterprise Management Investment Co., Ltd. Jiangsu Xinyang Ship Investment Co., Ltd. Taixing City Liyuan Investment Co., Ltd.</p>
Mr. Lee	<p>Group Companies</p> <p>–</p> <p>Other Companies</p> <p>–</p>	<p>Group Companies</p> <p>–</p> <p>Other Companies</p> <p>–</p>

Note:

(1) The company has been struck off.

Family Relationships, Arrangements or Understandings

There is no family relationship between any of our Directors and/or Executive Officers, or between any of our Directors, Executive Officers and Substantial Shareholders.

There is no arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or any other person, pursuant to which any of our Directors or Executive Officers was selected as our Director or Executive Officers.

None of our Executive Directors or Executive Officers will retain any executive roles in the YSL Group or ICHAM Pte. Ltd. Mr. Toe does not presently hold any executive role in ICHAM Pte. Ltd. and he is only a shareholder of ICHAM Pte. Ltd. Please refer to the section entitled “Interested Person Transactions – Potential Conflict of Interests” of this Document for further details.

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:

Ren Yuanlin
Executive Chairman

Toe Teow Heng
*Executive Director,
CEO and CIO – Singapore*

Chew Sutat
*Lead Independent
Non-Executive
Director*

Chua Kim Leng
*Independent
Non-Executive Director*

Yee Kee Shian, Leon
*Independent
Non-Executive Director*

Peng Xingkui
*Chief Investment
Officer – PRC*

Su Qing
*Chief Compliance
Officer – PRC*

Liu Hua
CFO and COO

**Lee Kam Wah
Terence**
Chief Compliance

Based on our Group's present scale of finance functions in Singapore and the PRC, the Board is of the view that the finance team, comprising five (5) staff as at 31 December 2021, is adequately staffed to carry out its finance operations for the following reasons:

- (i) the complexity of our Group's structure and volume of transactions that the finance team is expected to deal with;
- (ii) the existing employees are all suitably qualified and experienced for their respective roles and function, thereby allowing the finance team to maintain their performance at an efficient level;
- (iii) our Company's management has not received any feedback from the members of the finance team that manpower is inadequate; and
- (iv) our Directors and management do not have and have not received any negative feedback on the performance of our Company's finance team.

REMUNERATION OF DIRECTORS, EXECUTIVE OFFICERS AND RELATED EMPLOYEES

Directors and Executive Officers

The remuneration paid to our Directors and Executive Officers (which includes benefits-in-kind

Related Employees

As at the Latest Practicable Date, none of our employees are immediate family members or are otherwise related to our Directors, Substantial Shareholders or Executive Officers.

The remuneration of employees who are related to our Directors, Substantial Shareholders or Executive Officers will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Nominating Committee. In the event that a member of our Remuneration Committee or the Nominating Committee is related to the employee under review, he will abstain from the review.

In line with the Code of Corporate Governance 2018, we will disclose in our annual report details of the remuneration of employees who are Substantial Shareholders, or who are immediate family members of our Directors, Substantial Shareholders or Executive Officers, and whose remuneration exceeds S\$100,000 during the year, in bands of no wider than S\$100,000.

SERVICE AGREEMENTS

On 31 March 2022, Our Company entered into separate service agreements (collectively, the “**Service Agreements**” and each a “**Service Agreement**”) with each of our Executive Chairman Mr. Ren, our Executive Director, CEO and CIO – Singapore Mr. Toe (collectively, the “**Executive Directors**” and each an “**Executive Director**”), and our Executive Officers.

Service Agreements with our Executive Directors

At any time during the employment of any of our Executive Directors, our Company, without prejudice to any remedy which it may have against him for the breach or non-compliance of any of the provisions of the Service Agreements with our Executive Directors, may terminate his employment with immediate effect if the Executive Director, in the reasonable opinion of the Board, shall:

- (a) be guilty of any wilful misconduct in the discharge of his duties hereunder;
- (b) be guilty of any act or thing which may bring serious discredit or disrepute on our Company or our Group;
- (c) be guilty of any gross default or grave misconduct in connection with or affecting the business of our Company or our Group;
- (d) be found to be disqualified from holding the office of, or acting as, a director or an executive officer of any company, pursuant to any applicable laws or rules of any stock exchange, for whatever reason, if applicable;
- (e) be found to have committed an act that is reported in general or trade press or otherwise achieves general notoriety which involves conduct that is likely to be regarded as illegal, immoral or scandalous and which, in the reasonable opinion of the Board is likely to discredit the Executive Director to a degree which materially reduces the value of his services to our Company or our Group or may discredit our Company or our Group through association with the Executive Director;
- (f) be found to be incompetent in the performance of his duties;
- (g) be found to have neglected or refused, without reasonable cause, to attend to the business of our Company or our Group;
- (h) be found to be absent (other than during periods of statutory holiday and annual leave) for an aggregate period of one hundred and twenty (120) days during the Initial Term; or
- (i) breach any material provision of the Service Agreement.

Upon termination of the Executive Director's employment under the Service Agreement, the Executive Director is not entitled to any benefits or severance payments.

Pursuant to the terms of the respective Service Agreements, each of our Executive Directors is entitled to a basic monthly salary. In addition, each of our Executive Directors is entitled to an annual incentive bonus of a sum calculated based on their personal performance as well as performance of our Group for that year, which shall be subject to annual review by the Board and the Remuneration Committee.

Under the Service Agreements with our Executive Directors, the remuneration of the Executive

Our Executive Directors had each also executed a deed of undertakings dated 1 April 2022, further details of which is set out in the section entitled “Interested Person Transactions – Potential Conflict of Interests” of this Document.

Service Agreements with our Executive Officers

Each Service Agreement with our Executive Officers is for an initial period of two (2) years upon admission of our Company on the Mainboard of the SGX-ST (the “**Initial Period**”), and upon the expiry of such period, the employment of the Executive Officer will be renewed automatically on an annual basis, on the same terms upon expiry thereof unless our Company or the Executive Officer provides a six (6) months’ notice in writing of its/his/her intention not to renew the employment. Any variation of the terms of the Executive Officers’ employment as may be agreed between our Company and the Executive Officers, are subject to the approval of the Board, the Remuneration Committee, and/or the Shareholders (if necessary).

The Service Agreements with our Executive Directors may not be terminated by our Company or the Executive Officers by giving notice of termination during the Initial Period, but may be terminated after during term either as provided in the Service Agreements or by either party giving to the other not less than six (6) months’ written notice.

Our Company may terminate the Service Agreement with our Executive Officer upon notice in writing to him or her if the Executive Officer:

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (b) commits any act of criminal breach of trust or dishonesty or is convicted of any criminal offence (save for an offence under any road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment);
- (c) misappropriates assets of our Group;
- (d) is or may be suffering from a mental disorder; or
- (e) reason of ill health, mental illness or injury caused by his own default, becomes unable to perform any of his duties under the Service Agreement for a period of 120 days or more.

At any time during the employment of any of our Executive Officers, our Company, without prejudice to any remedy which it may have against him or her for the breach or non-compliance of any of the provisions of the Service Agreements with our Executive Officers, may terminate his or her employment with immediate effect if he or she, in the re

- (e) be found to have committed an act that is reported in general or trade press or otherwise achieves general notoriety which involves conduct that is likely to be regarded as illegal, immoral or scandalous and which, in the reasonable opinion of the Board is likely to discredit the Executive Officer to a degree which materially reduces the value of his services to our Company or our Group or may discredit our Company or our Group through association with the Executive Officer;
- (f) be found to be incompetent in the performance of his or her duties;
- (g) be found to have neglected or refused, without reasonable cause, to attend to the business of our Company or our Group;
- (h) be found to be absent (other than during periods of statutory holiday and annual leave) for

Corporate Governance

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

We recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will implement the good practices recommended in the Code of Corporate Governance. Our Company has implemented the corporate governance code as set out below.

Board of Directors

**Audit and Risk
Committee**

**Remuneration
Committee**

Legal Representatives

As at the Latest Practicable Date, Lu Jianfei, Gu Qiong and Mr Ren are the legal representatives of our PRC incorporated subsidiaries, Jingjiang Runyuan, Jiangsu New Yangzi Co., Ltd. and Jiangsu Yangchuan respectively. In accordance with applicable PRC Laws, each of our legal representatives for the PRC incorporated subsidiaries has the following powers:

- (a) to act as representative of the relevant PRC incorporated subsidiary; and
- (b) to engage in civil activities on behalf of the PRC incorporated subsidiary.

Under PRC Laws, the legal representative shall be appointed and removed in accordance with the articles of association of the company, and the legal representative shall be either the chairman of the board (or the executive director in case no board is formed in the company) or the general manager of the company. The change of legal representative shall be registered with the competent authorities. Further, the chairman of the board or the executive director shall be appointed by the shareholders and the general manager shall be appointed by the board or the executive director. Therefore, the legal representative can be appointed and removed by the shareholders or through their

or

CORPORATE GOVERNANCE

There are procedures set in place by our Group to appoint and remove the legal representatives of our Group's PRC subsidiaries, such as the chairman of the board automatically serving as the legal representative of our Group's PRC subsidiaries, and thus satisfying the requirements as being a director under PRC Laws, and the Articles of Association of our Group's PRC subsidiaries. The directors of our Group's PRC subsidiaries are elected by the shareholders of the PRC subsidiaries and their qualifications will be assessed by our Company before being elected by the shareholders. If the chairman of the board is changed for any reason, the legal representative will also be changed accordingly. From a legal perspective, the procedures in place to appoint and remove the legal representatives of our Group's PRC subsidiaries as stipulated in the Articles of Association of our Group's PRC subsidiaries are in compliance with the requirements of relevant PRC Laws, which is the view taken by the Legal Adviser to our Company as to PRC Law, Jingtian Gongcheng and the Legal Adviser to the Issue Manager as to PRC Law, King Good Maesons. Beyond the legal perspective and in terms of the adequacy of these measures and safeguards, our Directors are of the view that with these measures and safeguards, our Group would be able to effectively mitigate the risks in relation to the appointment of the legal representatives and sufficiently protect the interests of our Group.

We will monitor and periodically review the processes and procedures in relation to the appointment and removal of the legal representatives of each of our PRC incorporated subsidiaries to ensure their effectiveness and robustness.

In safeguarding the corporate seal, finance seal, legal seal and cheque books of our Group's PRC subsidiaries, the following measures are taken:

- (1) the corporate seal, finance seal, legal seal and cheque books shall be used and kept by the administrative department;
- (2) the use of corporate official seals must be based on the content of the printed copy and signed by the authorised representatives of the company;
- (3) the official seal of the company is not allowed to be taken out of the company, unless for the purposes of work. The official seal loan approval form should be filled in advance, and it can be taken out of the company after approval by the department head and the supervisor in charge of the administrative department;
- (4) The head of the administrative department may refuse to use the seal under the following circumstances: (A) the content of the printed copy reported and issued is incorrect or the approval authority is inappropriate; (B) printed copies involving personal property, economic, legal disputes, etc.; (C) a printed copy has not been reviewed by department heads and issued and approved by authorised representatives of the company; (D) printed copies for non-employees of the company or unrelated to the company's work and business;
- (5) when the official seal custodian of the company affixes the seal, he shall review and understand the content of the seal;
- (a) the seal must be properly kept by a designated person. It shall not be lent to others or lost. There must be a record for the storage, indicating the name, number, pattern and other information of the seal;
- (7) if the seal is damaged or lost, the matter should be reported in time and the relevant departments should cooperate with the company to investigate the matter.

- the company establishes a sea management registration for which is monitored by a designated person once a year and
- (the sea transfer must go through the formalities and file in the sea transfer registration for when the employee with the sea resigns, he must go through the procedures for returning the sea with the administrative department

Audit and Risk Committee

Our Audit and Risk Committee, represented in the chart above, comprises Mr Chua, Mr Yee and Mr Chew. The Chairman of our Audit and Risk Committee is Mr Chua. The quorum shall be any three (three) members, including the chairman of our Audit and Risk Committee.

Our Audit and Risk Committee will assist our Board of Directors in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit and Risk Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Audit and Risk Committee will meet periodically to perform, among others, the following functions:

- (a) review with the internal and external auditors, the audit plans, scope of work, their evaluation of our system of internal controls, audit reports, their management letters and our management's response, and the results of audits completed by our internal and external auditors, and will review at regular intervals with the management the implementation by our Group of the internal and external audit.

CORPORATE GOVERNANCE

- (e) review our key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or of the findings are material, to be immediately announced via SGXNet
- (f) review and approve a hedging policies implemented by our Group (if any) and conduct periodic review of foreign exchange transactions and hedging policies and procedures
- (g) review the cooperation given by our management to our internal and external auditors, where applicable
- (h) review periodically, the accuracy, effectiveness, scope of the internal and external audit, independence and objectivity of the internal and external auditors, as well as consider the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors
- (i) review, on an annual basis, the processes and procedures in relation to the appointment and removal of the legal representative of our Group's PRC subsidiaries
- (j) monitor and review the adequacy and implementation of measures to safeguard the corporate seal, financial seal, legal seal and cheque books of each of our Group's PRC subsidiaries
- (k) receive and review at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks
- (l) appoint, re-appoint or remove the accounting or auditing firm or corporation to which the internal audit function is outsourced (including the review of their fees and scope of work)
- (m) monitor the procedures in place to ensure compliance with the SFA, the Listing Manual and applicable legislation, regulations and guidelines including notices issued by the MAS, including monitoring and overseeing the compliance of our Group's business operations with applicable PRC Laws relating to the conduct of the entrusted loan business and the professional accounting requirements
- (n) review and discuss with management the risk governance structure and their risk policies, risk mitigation and monitoring processes and procedures
- (o) review and monitor the measures to rectify the non-compliances in relation to microfinancing loans under the Debt Investment Business on an ongoing basis, including engaging PRC legal advisers to advise our Group on compliance with the applicable laws and regulations, and the impact of the non-compliances on our Group's operations and finances
- (p) review and approve any interested person transactions falling within the scope of Chapter 10 of the Listing Manual and review procedures thereof
- (q) monitor the deeds of undertaking given by our Controlling Shareholder and Executive Chairman, Mr Ren, our Executive Director and CEO and CIO Singapore, Mr Toe, our CIO PRC, Mr Peng and our Chief Compliance Officer PRC, Mr Su, to ensure that the respective deeds of undertakings are complied with. For the avoidance of doubt, this would include regular monitoring and reviewing of the effectiveness of the deeds of undertakings provided by Mr Ren, Mr Toe, Mr Peng and Mr Su, including any changes to the representations, in mitigating potential conflicts of interests

- (r) review and assess, from time to time, the prevailing processes put in place to manage any potential conflicts of interests with the aforementioned Directors and Executive Officers and consider, where appropriate, the additional measures for the management and mitigation of such conflicts
- (s) review potential conflicts of interest (if any) and set out a framework to resolve or mitigate any potential conflicts of interests as well as monitor compliance with such framework
- (t) review, publicly disclose, and clearly communicate to our employees, the procedures by which employees of our Group may, in confidence, report to the chairman of our Audit and Risk Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow up actions thereto

Adequacy of Internal Controls

In preparation for the Introduction, our Audit and Risk Committee was given an overview of our Group's current internal accounting controls policies and procedures and risk management policies and procedures, including an overview of the written policies and procedures in relation to the financial, operational, compliance and information technology controls of our Group, by the Executive Officers of our Group.

Our Board has noted that no material weaknesses in the design or operation of the accounting and internal control systems have been raised by the Reporting Auditor, PricewaterhouseCoopers LLP, in the ordinary course of their audit of the combined statements of our Group for FY 2020, FY 2021 and FY 2022.

Based on a review of our Company's internal controls, several issues were identified with moderate risk rating, such as in the areas of revenue and loan management, investments, treasury and cash management, information technology, budget preparation, setting up of enterprise risk management framework and personal data protection. Our Group has implemented most of the measures recommended by the internal auditors to address such issues identified by the internal auditors. There are two remaining measures that have only been partially implemented. These relate to (i) the setting up of standalone information technology systems which are separate from our Group, and (ii) the maintaining of an offsite backup for data stored in our Group's systems in use. As at the Latest Practicable Date, our Group is still in the process of the implementation of these measures due to the difficulty in coordination with potential suppliers as a result of the movement restrictions imposed by the PRC authorities because of the COVID-19 pandemic. These measures will be fully implemented prior to the Listing Date.

Currently, based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews by our management, our Directors, after making reasonable enquiries and to the best of their knowledge and belief, with the concurrence of the Audit and Risk Committee, are of the opinion that the internal controls of our Group (including financial, operational, compliance and information technology controls and risk management systems) are adequate and effective.

Our Board notes that the system of internal controls and risk management provides reasonable, but not absolute assurance that our Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, our Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Availability of Ms. Liu as CFO

The Audit and Risk Committee having (i) conducted an interview with Ms. Liu, (ii) considered the qualifications and past working experience of Ms. Liu (as described in the section entitled "Directors, Management and Employees/Executive Officers" of this Document), (iii) considered the feedback from external and internal auditors and (iv) observed her abilities, familiarity and

Remuneration Committee

Our Remuneration Committee represented above comprises Mr Yee, Mr Chew and Mr Chua. The Chairman of our Remuneration Committee is Mr Yee. The quorum shall be any three (3) members, including the chairman of our Remuneration Committee.

Each member of our Remuneration Committee shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of our Remuneration Committee in respect of matters in which he is interested.

Our Remuneration Committee will, among others, recommend to our Board a framework of remuneration for our Directors, Chairman, Key Executive and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee will be submitted for endorsement by our entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be reviewed by our Remuneration Committee.

The remuneration of employees who are related to our Directors or Substantial Shareholders will also be reviewed annually by our Remuneration Committee to ensure that their remuneration packages

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- (e) reviewing our composition of our Board of Directors to ensure the committee comprises an appropriate mix of skills, experience, core competencies and knowledge of our Group that our Board requires to function competently and efficiently
- (f) reviewing succession plans for the Board

is of the opinion that (i) each of our Independent Directors is individually and collectively able to conduct sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as Independent Directors of our Company and (ii) our Independent Directors, as a whole, represent a strong

OVERVIEW

In general transactions between our Group and any of our Interested Persons namely our Directors, CEO, Controlling Shareholders or their respective Associates would constitute Interested Person transactions. Details of Interested Person transactions of our Group for the relevant Period are set out below.

As disclosed below and the part relating to the GEM Acquisition in the section entitled Business Overview of this Document, none of our Directors, Controlling Shareholders or their respective Associates, each an **Interested Person**, was or is interested in any material transaction undertaken by our Group during the relevant Period.

In line with Chapter 10 of the Listing Manual, a transaction of value less than HK\$1,000,000 is not considered material in the context of the Introduction and is not taken into account for the purposes of aggregation in this section.

INTERESTED PERSONS

Interested Persons	Relationship

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

GEM Acquisition

As set out in the section entitled "Business Overview" of this Document, we intend to acquire GEM after the Introduction. In principle, approval of the MA for the GEM Acquisition has been obtained on 7 March 2022. After the Introduction, our Company intends to enter into sale and purchase agreements to acquire 100% of the issued and paid-up capital of GEM from its three shareholders, namely Ascenta Investments Limited, Newyard Ordway and Mr. Joe White, which hold 33.33%, 33.33% and 33.34% of the share capital of GEM respectively. Two of the shareholders of GEM, namely Newyard Ordway and Mr. Joe White, are Interested Persons. The source of funding for the GEM Acquisition is intended to be our Company's internal sources of funds. The consideration that will be paid to Newyard Ordway and Mr. Joe White for the remaining GEM will be 100% cash, each, which is based on a discount of approximately 20% from the equity value range of GEM as at November 2021 on a controlling non-voting basis of GEM as determined by F.C. Adams Pte. Ltd., an independent valuer jointly appointed by our Company and the shareholders of GEM prior to the GEM Acquisition. The Valuer's valuation of GEM on a controlling non-voting basis as referred to in the valuation report, the **Valuation Report** issued by the valuer, is a description of the factual circumstances that our Company will acquire a controlling stake in GEM. GEM is a private company and the shares of GEM are considered to be non-voting and are not freely tradeable unlisted shares of a public listed company, hence the description of the basis as a non-voting, unlisted one. Our Company believes that the valuation of GEM on a controlling non-voting basis is the most reflective of the factual circumstances of the GEM Acquisition for the following reasons:

- a. our Company will acquire 100% of the issued and paid-up share capital of GEM from its existing shareholders. Through the GEM Acquisition, our Company will gain control over GEM, it is not a case where our Company is merely investing as a minority shareholder. The element of control that an acquirer gains in an acquisition is a key consideration in determining the value of the sale shares to be acquired. Here, the acquirer gains controlling stake and will have control over the entity and have the power to take key decisions, e.g., terms of dividend payment, director appointments and strategic decisions, all of which minority shareholders would not have control over. As our Company will acquire 100% of GEM, our Company will have total control and power over the decision-making processes of GEM on both the shareholder and board level. In recognition of this, our Company believes that the valuation on a controlling basis is the most reflective of the factual circumstances surrounding the GEM Acquisition, and

The GEM Acquisition is subject to the execution of the sale and purchase agreements and completion taking place pursuant thereto. The Company intends to proceed with the signing of the sale and purchase agreements for the GEM Acquisition and the completion of the GEM Acquisition

INTERESTED PERSON TRANSACTIONS

The purchase consideration proposed to be paid to Ascenta Investment Limited per share is higher than the purchase consideration proposed to be paid to Newyard Group and Mr. Joe. This is because Ascenta Investments Limited is the single largest shareholder of GEM hence in selling GEM it is essential to give up his control over GEM and the higher consideration serves to take into account the control premium. Mr. Xu Fan will stay on as CEO of GEM after the introduction. He will only be an employee of GEM and not its controller as he will no longer have any shareholding interest in GEM. The higher consideration payable to Ascenta Investments Limited was reached after a lengthy negotiation between Mr. Xu Fan and our Company. Hence the purchase consideration paid to Ascenta Investments Limited will be higher than our Company's view that this does not prejudice the interests of our Company and its minority shareholders due to the foregoing reasons.

Conditions Precedent for the GEM Acquisition

The conditions precedent for the GEM Acquisition are as follows.

- a. the receipt of all consents and approvals required under any and all applicable laws or from any governmental agency, regulatory or third party required for the sale and transfer of the sale shares including consents and approvals to be obtained by the vendors from the MA to the extent required under the CM Licence and applicable laws.
- b. the total amount of cash in the bank accounts of GEM net of liabilities as at completion date should not be less than [REDACTED].
- c. the representations and warranties of the vendors under the sale and purchase agreements being true and accurate in all material aspects and not misleading in any respect at completion, and
- d. the representations and warranties of the Purchaser and our Company under the sale and purchase agreements being true and accurate in all material aspects and not misleading in any respect at completion.

Covenants and Undertakings

This clause sets out certain undertakings to be provided by GEM to the Purchaser including that GEM shall not

issue or agree to issue any shares or other securities or grant or agree to grant any option or other right or reduce or otherwise vary its capital

make any change in the nature of its business carried on as at the date of the sale and purchase agreements or in any other way depart from its ordinary course of business,

enter into any new tenancy agreements or licences or vary any of the existing tenancy agreements or licences outside the ordinary course of business or on unusual or onerous terms without prior consultation with the Purchaser,

- v. abandon any insurance contract failing to notify any insurance company in accordance with the provisions of the relevant policy or settle any such claim below the amount claimed,
- v. contract or omit to do any act or thing the consequences of which may be the occasion of which.

INTERESTED PERSON TRANSACTIONS

- a. is in contravention of any applicable law,
- b. may result in any of its outstanding agreements of a material nature being adversely modified or terminated, and
- c. would or is likely to have a material adverse effect on its business or financial condition or prospects.

Determination of Valuation of GEM

The valuation was conducted by the auditor in accordance with the International Accounting standards **IVS** they have adopted the Equity value as the basis of valuation. Equity value is defined under the law as the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. To the best of the auditor's understanding the valuation approaches and methodologies adopted by the issuing GEM are consistent with that for other similar transactions.

The Board has:

- considered the auditor's track record including the fact that the Executive Director of the auditor Mr Foo Heue Chuan who signed off on the valuation report has been conferred the Chartered Auditor and Appraiser **CVA** designation under the C.A. programme as a national certification for the practice of business valuation in Singapore. In addition, he possesses the relevant experience in performing valuations in respect of the assets under consideration - shares of a private company,
 - assessed that the valuation of GEM is based on **IVS**, which is a set of international, recognised valuation standards,
 - examined key assumptions and estimates used for the valuation including forward going earnings or cash flow projections and peer or reference companies, and
- Given that the valuation of GEM is on a **cost** basis, the valuation does not consider any fundamental different business or new markets that are still at planning stage as at the valuation date of November 2022, the Board believes that there are no material uncertainties underlying the projections.

In consideration of the above, the Board is of the view that the valuation conclusions and calculations as disclosed in the valuation report are reasonable and acceptable.

Upon the approval of the listed shareholders for the Proposed IPO, investors are deemed to have specifically approved these transactions with our Interested Persons and as such these transactions are not subject to votes and provisions of the Listing Manual to the extent that there are no subsequent changes to the terms of the agreements in relation to each of these transactions.

Following the introduction in the event that there are present and ongoing transactions between our Company and Interested Persons, such transactions will be conducted in accordance with the review procedures for interested person transactions as set forth in the section entitled Interested Person Transactions, Guidelines and Review Procedures for Ongoing and Future Interested Person Transactions of this Document as well as in accordance with the provisions of the Listing

Manuals may be applicable according to the provisions in Chapter of the Listing Manual in relation to Interested Person Transactions.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit and Risk Committee and our Board will ensure that all measures approved and

INTERESTED PERSON TRANSACTIONS

- b. shareholder of Jiang Xinyuan Investment Co., Ltd. 圈點領莫斌 尤飽泊蕻斌, which is engaged in the business of amongst others investment and asset management and the provision of investment consultancy services directly holding MB equity interest representing 2% of the total equity interest,
- c. Limited partner and equity interest holder of Hangha Yuanxinsheng Investment Centre Limited Partnership 聲露莫駿領老斌 尤朋敘 飽泊虹賺, which is engaged in the business of amongst others industrial investment investment management asset management the provision of business information consulting and investment management consulting services directly holding MB equity interest representing 1% of the total equity interest. He is the general partner of Hangha Yuanxinsheng Investment Centre Limited Partnership, which is the party responsible for making the investment decisions of Hangha Xingsheng Equity Investment Fund Management Co., Ltd. 聲露領老斌 鵲斌 尤詢 奈 尤飽泊蕻斌. Hangha Xingsheng Equity Investment Fund Management Co., Ltd. is independent of Mr. Chen and his Associates,
- d. shareholder of Jiaxing City Yuan Investment Co., Ltd. 齡着滲蕻莫斌 尤飽泊蕻斌, which is engaged in the business of amongst others the use of its own funds to engage in foreign investment directly holding MB equity interest representing 7% of the total equity interest,
- e. equity interest holder of Jinnate Resources Investment Centre Limited Partnership 論龍委冥錙頗 尤斌 尤朋敘 飽泊虹賺, which is engaged in the business of amongst others investment investment management and providing investment consulting services in the new energy industry directly holding MB equity interest representing 1% of the total equity interest. He is the decision-making powers reside with the general partner Hangha Jian Investment Management Centre Ordinary Partnership 聲露酢顛斌 尤奈 尤朋敘 飄毛虹賺. Hangha Jian Investment Management Centre Ordinary Partnership is independent of Mr. Chen and his Associates,
- f. shareholder of Huzhou Leyuan Investment Co., Ltd. 蛭逆緝莫斌 尤飽泊蕻斌, which is engaged in the business of investment provision of management and providing investment consulting services directly holding MB equity interest representing 1% of the total equity interest,
- g. shareholder and director of Newyard Crowde which is engaged in the business of secondary market bond investment directly holding shares representing 1% of the total equity interest,
- h. shareholder and non-executive director of GEM which is engaged in the business of investment management directly holding shares through Newyard Crowde representing 1% of the total equity interest of GEM, and

he has a deemed interest in 1,000 shares of Y.L. representing approximately 1% of the share capital of Y.L. and therefore he has an indirect interest in the investments that are held by Y.L. that will not be passed to our Group due to the reasons set out in the section entitled "Restructuring Exercise" above. There will not be any conflict of interest between Y.L. and our Group because going forward Y.L. will not take on any new investments and the existing investments held under Y.L. will mature and/or be wound down eventually.

Collectively the RYL Subject Entities

The RYL Subject Entities will not be allowed to be part of our Group as these entities are Mr. Chen's existing personal investment vehicles save for GEM, the YZJ Fund and YL. The YZJ Fund will not be allowed to be part of our Group as it engages in different types of investment as compared to our Group. The YZJ Fund tends to engage in higher risk investments. In respect of the RYL Subject Entities, Mr. Chen Letan, the son of Mr. Chen, has a 50% equity interest in the YZJ Fund and a 50% equity interest in Huzhou Leyuan Investment Co., Ltd. Mr. Chen Letan is also the executive director and legal representative of Huzhou Leyuan Investment Co., Ltd. We have disclosed none of any other Associates of Mr. Chen hold any interests, direct or indirect, in these entities and or hold directorship appointments in respect of the RYL Subject Entities. In respect of the RYL Subject Entities, there is also no veto power or right given to Mr. Chen under any agreement.

Mr. Toe's interest in entity(ies) whose business may compete with that of our Group's

Our Executive Director and CEO Mr. Toe is involved in the following entities that are engaged in investment and/or fund management activities that may compete with our Group's business as detailed below.

a shareholder of Hexaton Capital Co., Ltd., which is an investment holding company directly holds 1,000 shares representing 100% of E, Ltd., a private limited company, which is a subsidiary of Hexaton Capital Co., Ltd.

INTERESTED PERSON TRANSACTIONS

The 'H' Subject Entities are not intended to be transferred to our Group as they are Mr. Toe's existing personal investment vehicles and/or his existing business interests that he co-owns together with third parties save for GEM. In respect of the 'H' Subject Entities, Mr. Toe's brother, the brother of Mr. Toe's, the majority shareholder presently holding 5% of the shares and director of ICH Group Ltd, have as disclosed, none of any other Associates of Mr. Toe hold any interests directly or indirectly in these entities and or hold directorship appointments in respect of the 'H' Subject Entities. Although Mr. Toe's brother has a management role in ICH Group Ltd, Mr. Toe will be giving an undertaking that he himself will not be able to vote through any resolutions of the entity and that he confirmed that he does not or will not control, dominate or influence directly or indirectly any decision-making process in relation to the financial and operating policies of ICH Group Ltd from the date of the deed of undertaking.

In respect of the 'H' Subject Entities, there is no veto power or right given to Mr. Toe under any agreement.

Undertakings given by our Controlling Shareholder and Executive Chairman, Mr. Ren, and our Executive Director and CEO and CIO – Singapore, Mr. Toe

Pursuant to deeds of undertaking dated April 2022, our Controlling Shareholder and Executive Chairman Mr. Ren and our Executive Director and CEO and CIO Singapore Mr. Toe have respectively undertaken to our Group that for the duration of the period for which he and/or his associates remain as a director, CEO and/or any executive of our Group or he and/or his associates are or are deemed to be on an aggregate basis Controlling Shareholders of our Group, and the shares continue to be listed on the SGX, and subject to the Carve-out as defined hereunder that *inter alia*

- a. he shall not and shall procure that his Associates whether present or future shall not conduct, carry on, be engaged in or be interested in any capacity either solely or jointly with or on behalf of any person for or corporation any business or activity that is directly or indirectly in competition with the Restricted Business in any country,
- b. he shall not and shall procure that his Associates whether present or future shall not have any interest directly or indirectly in and or provide any assistance financial technical or otherwise to any person, entity or corporation to carry on any business or activity that is directly or indirectly in competition with the Restricted Business in any country,
- c. he shall ensure that no company or business in which he is and/or any of his Associates whether present or future is in the position to control, dominate or influence decision-making shall engage in any business or activity that is directly or indirectly in competition with the Restricted Business in any country,
- d. he shall not be involved in or be appointed as a director or as an executive of any corporation listed or quoted on any stock exchange whose business may compete directly with the Restricted Business,
- e. he shall not and shall procure that his Associates whether present or future shall not solicit, attract to or entice away or attempt to solicit, attract to or entice away whether directly or indirectly from our Group any customer, client or supplier of our Group which will cause or seek to cause such customer, client or supplier to cease or reduce the amount of business conducted with our Group,

INTERESTED PERSON TRANSACTIONS

- b. In relation to Jingyang Xinyuan Investment Co., Ltd. 圈黏領莫斌 尤饱泊藤斌, he has resigned as a director and will not be involved in the management of this company. Accordingly given that he has stepped down from any management role and would therefore not be able to participate in any decision-making process of the entity he has confirmed that he himself will not be able to vote through any resolutions of the entity and that he does not or will not control, dominate or influence directly or indirectly any decision-making process in relation to the financial and operating policies of Jingyang Xinyuan Investment Co., Ltd. from the date of the deed of undertaking. In other words he will not be able to sign or cause any resolutions of the entity to be passed. Further it is envisaged that going forward Jingyang Xinyuan Investment Co., Ltd. will not take on any more new projects or investments so there is no longer any risk of any conflict of interest between Jingyang Xinyuan Investment Co., Ltd. and our Group as it will not be actively engaged in business that may compete with our Group's business.
- c. In relation to Hanghai Yuanxinsheng Investment Centre Limited Partnership 聲露莫駿 領老斌 尤朋叙 饱泊虹藤, he has not and will not be involved in the management of the partnership. Accordingly given that he does not have any management role and would therefore not be able to participate in any decision-making process of the entity in his capacity as a limited partner he has confirmed that he himself will not be able to vote through any resolutions of the entity and that he does not or will not control, dominate or influence directly or indirectly any decision-making process in relation to the financial and operating policies of Hanghai Yuanxinsheng Investment Centre Limited Partnership from the date of the deed of undertaking. In other words he will not be able to sign or cause any resolutions of the entity to be passed. Further it is envisaged that going forward Hanghai Yuanxinsheng Investment Centre Limited Partnership will not take on any more new projects or investments so there is no longer any risk of any conflict of interest between Hanghai Yuanxinsheng Investment Centre Limited Partnership and our Group as it will not be actively engaged in business that may compete with our Group's business. Also Hanghai Yuanxinsheng Investment Centre Limited Partnership is a PCC limited partnership and not a company so the concept of shareholders is not applicable. According to the Legal Adviser to our Company as to PCLaw Jingtian Gongcheng and the Legal Adviser to the Issue Manager as to PCLaw King Good Matesons under PCLaw the affairs of a limited partnership enterprise shall be executed by the general partners, and the limited partner may not execute the partnership affairs nor may the limited partners represent the limited partnership enterprise before third parties. Therefore in relation to Hanghai Yuanxinsheng Investment Centre Limited Partnership, the power to take decisions on investments resides with the general partner.
- d. In relation to Faxing City Luyuan Investment Co., Ltd. 齡着逢强莫斌 尤饱泊藤斌, he has reduced his stake in the company from 7% to 2% via a divestment to a third party independent of him. Mr. Chen has only reduced his stake in the Faxing City Luyuan Investment Co., Ltd. to 2% as the purchasers who are independent third parties for their own commercial reasons did not express interest in purchasing a greater stake. Accordingly given that he has stepped down from any management role and would therefore not be able to participate in any decision-making process of the entity and has reduced his stake such that he himself will not be able to vote through any resolutions of the entity he has confirmed that he does not or will not control, dominate or influence directly or indirectly any decision-making process in relation to the financial and operating policies of Faxing City Luyuan Investment Co., Ltd. from the date of the deed of undertaking. In other words he will not be able to sign or cause any resolutions of the entity to be passed. Further it is envisaged that going forward Faxing City Luyuan Investment Co., Ltd. will not take on any more new projects or investments so there is no longer any risk of any conflict of interest between Faxing City Luyuan Investment Co., Ltd. and our Group as it will not be actively engaged in business that may compete with our Group's business.

e. In relation to 'an n Ate'as 'esources Invest 'ent Centre L 'ted Partnershp 論龍委冥锚 顏尤！ 轼尤 肋斂 饱泊 釘賺 , he has conf r'ed that he s ngly w'not be able to vote through any resolut'ons of the ent ty and that he does not or w'not contro' do 'nate or n'f'ence d'rectly or nd'rectly any dec's on, a ng process n re'at on to the f'nanc'a'nd operat'ng po'ces of 'an n Ate'as 'esources Invest 'ent Centre L 'ted Partnershp fro' the date of the deed of underta'ng. In other words he w'not be able to s ngly cause any resolut'ons of the ent ty to be passed. Although he w'retain h's 'ta'e n 'an n Ate'as 'esources Invest 'ent Centre L 'ted Partnershp, he w'be n a pos't on to g've the underta'ng that he does not and w'not contro' do 'nate or n'f'ence d'rectly or nd'rectly any dec's on, a ng process n re'at on to the f'nanc'a'nd operat'ng po'ces as fro' the date of the deed of underta'ng as he s only the C'ted partner with no dec's on, a ng powers. Further 'an n Ate'as 'esources Invest 'ent Centre L 'ted Partnershp has only nvested n one 'ro'ect currently and go'ng forward t's env'saged that 'an n Ate'as 'esources Invest 'ent Centre L 'ted Partnershp w'not ta'e on any 'ore new 'ro'ects or nvest'ents.

f. In relation to Huzhou Leyuan Invest 'ent Co. Ltd. 姓逆 緝莫 轼尤 饱泊 蕨 斌 , he has conf r'ed that he s ngly w'not be able to vote through any resolut'ons of the ent ty and that he does not or w'not contro' do 'nate or n'f'ence d'rectly or nd'rectly any dec's on, a ng process n re'at on to the f'nanc'a'nd operat'ng po'ces of Huzhou Leyuan Invest 'ent Co. Ltd. fro' the date of the deed of underta'ng. In other words he w'not be able to s ngly cause any resolut'ons of the ent ty to be passed. Although he w'retain h's 'ta'e n Huzhou Leyuan Invest 'ent Co. Ltd. and although Mr. 'en s son Mr. 'en Let an has a 'ta'e n Huzhou Leyuan Invest 'ent Co. Ltd. and s an execut've d'rector and 'ega' representat've of the ent ty 'en w'be n a pos't on to g've the underta'ng that he does not and w'not contro' do 'nate or n'f'ence d'rectly or nd'rectly any dec's on, a ng process

INTERESTED PERSON TRANSACTIONS

As such, despite the relationship between Mr. [redacted] and Mr. [redacted], they are independent and separate of each other and neither of them have any control over the other's investment or financial decisions.

Moreover, Huzhou Leyuan Investment Co., Ltd. has only invested in one project currently and that going forward it is envisaged that Huzhou Leyuan Investment Co., Ltd. will not take on any more new projects or investments. As the entity will not take on any more new investments, there is no practical risk of conflict that Mr. [redacted] will face for instance in terms of deciding whether certain investment opportunities should be given to our Group or to Huzhou Leyuan Investment Co., Ltd.

g. In relation to Y. L., he has confirmed that he is not involved in the management of Y. L.. Accordingly, he has confirmed that he does not or will not control, dominate or influence directly or indirectly any decision-making process in relation to the financial and operating policies of Y. L. from the date of the deed of undertaking, and

h. In relation to GEM, he has undertaken to our Company that in the event that the GEM Acquisition does not complete within six months after the Listing Date, the **Period for Completion**, he will cease his entire stake in GEM to an independent third party in accordance to terms and conditions which would be no less favourable as compared to that of the offer made to our Company and shall exercise all endeavours to procure the completion of such sale as soon as practicable after the Period for Completion if renegotiated with the Company. Further details on the renegotiation process is set out in the section entitled "Interested Person Transactions - Present and Ongoing Interested Person Transactions - GEM Acquisition" of this Document, and

In relation to Newyard Ordway, he has undertaken to our Company that for so long as he and/or his Associates are or are deemed to be on an aggregate basis controlling shareholders of our Group or remain as a director, chief executive officer and/or key executive of our Group, in respect of any Potential Investment as defined hereunder available to Newyard Ordway.

He shall immediately notify our Group and/or the Board in writing of any potential investments or projects relating to the restricted Business in any country a **Potential Investment** which he may become aware of and provide sufficient details of such Potential Investment to our Group and/or the Board. Our Group shall have up to 10 Business Days from the date of notification of such Potential Investment or such longer period of time as may be required by our Group upon prior written notice by our Group to the transferor, the **Block-out Period** to assess and effect in writing whether to undertake the opportunity to participate in the Potential Investment and shall be deemed to have elected not to participate in the Potential Investment upon the expiry of the Block-out Period, and

He shall not and shall procure that his Associates, whether present or future, shall not undertake any Potential Investment should our Group elect to undertake the opportunity to participate in the Potential Investment during the Block-out Period. For the avoidance of doubt, if our Group elects or is deemed to have elected not to participate in the Potential Investment, he and/or his Associates will then be able to participate in such Potential Investment.

Ltd will not be actively engaged in business that may compete with our Group's business. In relation to ICH Partners Ltd it is practical for Mr. [redacted] to step down as he is the sole shareholder and ICH Partners Ltd is a pure investment vehicle which holds highly liquid assets and therefore it is very difficult to find an independent party to take over his share and/or management role. ICH Partners Ltd has had no fresh investments since [redacted],

- c. In relation to ICH Singapore Holdings Pte Ltd, he has resigned as a director and will not be involved in the management of ICH Singapore Holdings Pte Ltd as from the date of the deed of undertaking Accord given that he has stepped down

the investment decisions are made independently and they do not work for each other, and

they are each accomplished individually in their own right with their own successes. Mr. Joe Eow'ec has more than 20 years of experience in fund management directing investments and private equity having invested and advising many other companies. His wealth of experience and investment and business acumen and his more than capable of making his own investment decisions without consulting Mr. Joe.

As such despite their relationship Mr. Joe and Mr. Joe Eow'ec are independent and separate of each other and neither of them have any control over the other's investment or financial decisions.

- e. In relation to Zynergy Investments Ltd. it will not take on any investment activities as from the date of the deed of undertaking and will be a dormant entity post winding down of its existing investment activities. Mr. Joe will continue to retain his stake in Zynergy Investments Ltd. because Zynergy Investments Ltd. will continue to be retaining its existing investments. In maintaining the current legacy position, Mr. Joe has given an undertaking that Zynergy Investments Ltd. will not take on any investment activities as from the date of the undertaking and will be a dormant entity post winding down of its existing investment activities. Given that Zynergy Investments Ltd. will not be taking on any more new investment opportunities and projects there is no longer any risk of any conflict of interest between Zynergy Investments Ltd. and our Group as Zynergy Investments Ltd. will not be actively engaged in business that may compete with our Group's business.
- f. In relation to ICH Investment Pte. Ltd. it will not take on any investment activities as from the date of the deed of undertaking and will be a dormant entity post winding down of its existing investment activities. Mr. Joe will continue to retain his stake in ICH Investment Pte. Ltd. because ICH Investment Pte. Ltd. will continue to be retaining its existing investments. In maintaining the current legacy position, Mr. Joe has given an undertaking that ICH Investment Pte. Ltd. will not take on any investment activities as from the date of the

in relation to GEM, he has undertaken to our Company that in the event that the GEM Acquisition does not complete within six months after the Listing Date the **Period for Completion**, he will sell his entire stake in GEM to an independent third party in accordance to terms and conditions which would be no less favourable as compared to that of the offer made to our Company and shall exercise all reasonable endeavours to procure the completion of such sale as soon as practicable after the Period for Completion if renegotiation with the Company fails. Further details on the renegotiation process is set out in the section entitled "Interested Person's Transactions - Present and Ongoing Interested Person's Transactions - GEM Acquisition" of this Document.

The reduction of Mr. Lo's stake in Hexatone Capital Ltd and ICH Group Ltd did not involve the sale of Mr. Lo's equity interests to his Associates. Mr. Lo's brother is currently the majority shareholder of ICH Group Ltd. However, Mr. Lo's stake in ICH Group Ltd will be reduced to below a dividend of his existing stake. ICH Group Ltd will issue new shares in ICH Group Ltd to the other shareholders of Mr. Lo's ownership, thereby diluting Mr. Lo's interest. The reduction of his stake in ICH Group Ltd will not take place by a sale of his stake.

the period specified and or completion of the transfer of the shares or equity interest does not occur within three months from the date of any specified in the transaction documents between Mr. _____ or Mr. _____ as the case may be and the third party the transferor has to send another transfer notice to our Company and the process detailed in this paragraph shall apply.

Mr. _____ and Mr. _____ have agreed to our Group that in the event of any changes to the representations provided by Mr. _____ or Mr. _____ as the case may be in relation to the YL Subject Entities or the 'H' Subject Entities respectively they shall be obliged to provide written notice of the same to the Audit and Compliance Committee in a timely manner and in any case no later than five Business Days from the change.

In relation to GEM Mr. _____ is currently the non-executive director and shareholder of GEM. Mr. _____ is a shareholder of GEM and does not currently have an executive or management role in GEM. On a day-to-day basis the business and affairs of GEM are managed by Mr. Xu Fan the executive director and CEO of GEM. In addition it is envisaged that after the Introduction Mr. _____ will be appointed as the non-executive director of GEM. Our Company is of the view that the potential conflicts of interests in respect of GEM will be effectively mitigated in compliance with Part II of Chapter 2 of the Listing Manual will be mitigated due to the following reasons.

- a. After the Introduction in the unlikely event that the GEM Acquisition is not completed within a period of six months after the Introduction the **Transition Period** due to unforeseen circumstances each of Mr. _____ and Mr. _____ will cease their relationship with GEM to an independent third party as soon as practicable thereafter if re-negotiation with the Company fails. Further details of the re-negotiation process is set out in the section entitled 'Interested Person Transactions' Present and Ongoing Interested Person Transactions GEM Acquisition of this Document, and
- b. each of Mr. _____ and Mr. _____ has undertaken to our Company that for so long as he and or his Associates are or are deemed to be on an aggregate basis Controlling Shareholders of our Group or remain as a director, chief executive officer and or key executive of our Group in respect of any Potential Investment as defined hereunder available to GEM.

he shall immediately notify our Group and or the Board in writing of any potential investments or projects relating to the restricted Business in any country a **Potential Investment** which he may become aware of and provide sufficient details of such Potential Investment to our Group and or the Board. Our Group shall have up to 30 Business Days from the date of notification of such Potential Investment or such longer period of time as may be required by our Group upon prior written notice by our Group to the transferor the **Block-out Period** to assess and effect in writing whether to undertake the opportunity to participate in the Potential Investment and shall be deemed to have elected not to participate in the Potential Investment upon the expiry of the Block-out Period, and

he shall not and shall procure that his Associates whether present or future shall not undertake any Potential Investment should our Group elect to undertake the opportunity to participate in the Potential Investment during the Block-out Period. For the avoidance of doubt if our Group elects or is deemed to have elected not to participate in the Potential Investment he and or his Associates will then be able to participate in such Potential Investment.

Subject to the above, A, both Mr. [redacted] and Mr. [redacted] and/or their respective associates are permitted to hold directly or indirectly for financial investment purposes interests in any securities of any corporation listed or quoted on any stock exchange engaging in a business which may compete directly with the Restricted Business as long as each of his and/or his associates' aggregate interests in the securities of such corporation does not exceed [redacted], and that he will not be involved in the management or operations of the corporation and in particular will not accept an appointment to an executive position or to the role of director, and B, Mr. [redacted] shall be entitled to hold equity interests in the 'Y' Subject Entities and Mr. [redacted] shall be entitled to retain his directorships and/or equity interests in the 'H' Subject Entities, the matters set out in sub-paragraphs A and B shall be collectively termed as the **Carve-out**.

Our CIO – PRC, Mr. Peng's interest in Jiangsu Xinyang Ship Investment Co., Ltd. (點嶺波美械尤飽泊蕨斌)

Mr. Peng, our CIO, PRC, is a non-executive director of Jiangsu Xinyang Ship Investment Co., Ltd.

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CLEARANCE AND SETTLEMENT

D n nt r sw rr out n n por o rs n w t or s tt nt
t rou CD on s r p ss s s tt nt o tr son nor r s s ont GX
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o p n t GX n r nt n or trust o p n

The following is a description of the financial controls that exist in the financial statements of the company.

Financial

No financial controls are in place in the company.

ITC

The ITC financial controls on foreign exchange. The financial regulation governing foreign exchange in the ITC is the Regulations on the Control of Foreign Exchange of the ITC (人民币管理条例) which was issued by the State Council on 29 January 1996, made into effect on 1 July 1996 and, as a result, on 14 January 1997 and 5 July 2008. Under these rules, ITC's financial monitoring is for a limited amount of foreign exchange and for foreign-related foreign exchange transactions and for a limited amount, it not for a total amount

Certain legal matters in connection with the Introduction will be passed upon for us by Shook Lin & Gionchenith resect t

The audited combined financial statements FY2019, FY2020 and FY2021 included in this Document have been audited by PricewaterhouseCoopers LLP, the Reporting Auditor, as stated in their report appearing in this Document.

PricewaterhouseCoopers LLP, the Reporting Auditor for the purpose of complying with the SFA only, has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of:

- (a) its name and all references thereto; and

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A

1. Save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:
 - (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any within two (2) years after the date he or she ceased to be a partner;
 - (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity, or at any time within two (2) years after the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgement against him or her;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;
 - (f) at any time during the last 10 years, had judgement entered against him or her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, or been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
 - (g) has been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

- (j) has ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

4. As at the Latest Practicable Date, no person has been or is entitled to be, given an option to subscribe for or purchase any securities or securities-based derivatives contracts of our Company
5. Save as disclosed in the section entitled "Shareholding and Ownership Structure" of this Document, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other person or government.

C. Business

6. The nature of our Company's business has been stated earlier in this Document. Our objects can be found in our Constitution.
7. An extract of our Constitution relating to, amongst others, Directors' powers to vote on contracts in which they are interested, Directors' powers to vote on their remuneration, Directors' borrowing powers, Directors' retirement, Directors' share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are set out in "Appendix A – Summary of our Constitution" to this Document. Our Constitution is available for inspection at our registered office in the section entitled "General Information – Documents for Inspection" of this Document.

D. A C T I V E S

8. The Restructuring Documents, not being contracts entered into in the ordinary course of business, have been entered into by our Company or our subsid

13. No Director or expert has an interest, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the Latest Practicable Date, been acquired or disposed of by or leased to our Company or our subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or our subsidiaries.
14. No commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.
15. Save as disclosed in the sections entitled "Business – Trend Information", and "Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Document, the results of operations and financial condition of our Group are n4(o)-30.0969(c)- 630830

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17. PricewaterhouseCoopers LLP, the Reporting Auditor, has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of "Appendix D –

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23. The following documents or copies thereof may be inspected at our registered office at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours for a period of six (6) months from the date of issue of this Document:
- (i) the Constitution of our Company;
 - (ii) the Restructuring Documents;
 - (iii) the “Reporting Auditor’s Report on the Audited Combined Financial Statements of Yangzijiang Financial Holding Ltd. and its Subsidiaries for the Financial Years Ended 31 December 2019, 2020 and 2021” as set out in Appendix D to this Document;
 - (iv) the Legal Opinion from Jingtian & Gongcheng set out in Appendix F of this Document;
 - (v) the audited financial statements of Jingjiang Runyuan for the financial year ended 31 December 2021;
 - (vi) the audited financial statements of New Yangzi Commerce for the financial year ended 31 December 2021;
 - (vii) the Service Agreements referred to in the section entitled “Directors, Management and Employees – Service Agreements” of this Document; and
 - (viii) the letters of consent referred to in “General Information – Consents” above.

The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution.

Share rights and restrictions

We currently have one (1) class of shares, namely, ordinary shares. Only persons who are registered on our register of shareholders are recognised as our shareholders. In cases where the person so registered is the CDP, the persons named as the depositors in the Depository Register maintained by the CDP for the ordinary shares are recognised as our shareholders.

a Dividends and distributions

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. We must pay all dividends out of profits available for distribution. We may capitalise any sum standing to the credit of any of our Company's reserve accounts and

Change in capital

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require shareholders to pass an ordinary resolution. General meetings at which ordinary resolutions are proposed to be passed shall be called by at least 14 days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. The reduction of our share capital is subject to the conditions prescribed by law.

Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total voting rights of the issued shares of the class or with the sanction of a special resolution of the shareholders.

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Legal Framework

The following statements are brief summaries of the laws of Singapore relating to the legal framework in Singapore and our Board, which are qualified in their entirety by reference to the laws of Singapore.

Singapore has a common law system based on a combination of case law and statutes. The Companies Act is the principal legislation governing companies incorporated under the laws of Singapore and provides for three (3) main forms of corporate vehicles, being the company limited by shares, the company limited by guarantee and the unlimited company.

Companies are incorporate by filing with ACRA certain electronic forms, including the constitutional documents which comprise its constitution.

The constitution of a Singapore incorporated company may set out the specific objects and powers of the company, or may give the company full power to carry on or undertake any business activity. The constitution generally contains provisions relating to share capital and variation of rights, transfers and transmissions of shares, meetings of shareholders, directors and directors' meetings, powers and duties of directors, accounts, dividends and reserves, capitalisation of profits, secretary, common seal, winding-up and indemnity of the officers of a company.

Shares

The Shares, which have identical rights in all respects, rank equally with one another. Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Board may think fit and may issue

APPENDIX B – DESCRIPTION OF OUR SHARES

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the listing rules of, or byelaws and rules, governing any securities exchange upon which the Shares are listed or as provided in our Constitution. Our Directors may, in their discretion, decline to register any transfer of Shares on which we have a lien and in the case of Shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve. A Shareholder may transfer any Shares registered in its own name by means of a duly signed instrument of transfer in a form approved by any securities exchange upon which the Shares are listed or in any other form acceptable to our Directors. Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. A Shareholder may transfer any Shares held through the SGX-ST book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares if the applicant pays a fee which will not exceed S\$2.00 and furnishes such evidence and a letter of indemnity as our Directors may require.

General Meetings of Shareholders

We are required to hold a general meeting of Shareholders every year and not more than 15 months after the holding of the last preceding annual general meeting. All general meetings of our Company shall be held in Singapore. Under the Companies Act, we will be required to hold a general meeting of Shareholders within four (4) months from the end of our financial year. Our Board may convene an extraordinary general meeting whenever they think fit and it must do so upon the written request of Shareholders holding not less than 10.0% of the total number of paid-up Shares as carries the right to vote at general meetings (disregarding paid-up Shares held as treasury shares). In addition, two (2) or more Shareholders holding not less than 10.0% of our total number of issued Shares may call a meeting of our Shareholders.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including

- voluntary winding up;
- amendments to our Constitution;
- a change of our corporate name; and
- a reduction in our share capital.

We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. For so long as the Shares are listed on the SGX-ST, at least 14 days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press.

The notice must be given to every Shareholder who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy.

APPENDIX B – DESCRIPTION OF OUR SHARES

- (d) by any Shareholder present in person or by proxy and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid-up equal to not less than five (5) per cent. (5.0%) of the total sum paid up on all the shares conferring that right.

Subject to the Act and the Listing Manual, in the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

Limitations on Rights to Hold Shares

Singapore law and our Constitution do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to the Shares.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. Our Board may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profit(s) available for distribution.

All dividends we pay are *pro r* in amount to our Shareholders in proportion to the amount paid up or credited as paid on each Shareholder's Shares, unless the rights attaching to an issue of any share or class of shares provide otherwise.

Unless otherwise directed, dividends may be paid by a cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of members or (as the case may be) the Depository Register. However, our payment to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issue

Our Board may, with the approval from our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit or loss account and distribute the same as bonus Shares credited as paid-up to the Shareholders in proportion to their shareholdings.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board shall think fit.

Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which the Shares are listed.

APPENDIX B – DESCRIPTION OF OUR SHARES

Take-overs and Substantial Shareholdings

Under the Singapore Take-over Code issued by the MAS pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting shares must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Singapore Take-over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting shares acquires additional voting shares representing more than 1.0% of the voting shares in any six (6)-month period. Under the Singapore Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;

- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Substantial Shareholdings

Under the SFA, a person has a substantial shareholding in our Company if he has an interest (or interests) in one (1) or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

APPENDIX B – DESCRIPTION OF OUR SHARES

Singapore courts have a wide discretion as to the relief they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (d) direct us or some of our Shareholders to purchase a minority Shareholder's Shares and, in the case of our purchase of Shares, a corresponding reduction of our share capital;
- (e) direct that our Constitution be amended; or
- (f) direct that we be wound up.

In addition, Section 216A of the Companies Act allows a complainant (including a minority shareholder) to apply to court for leave to bring an action in a court proceeding or to commence an arbitration proceeding in the name and on behalf of a company.

The following is a discussion of certain tax matters arising under the current tax laws in Singapore and the PRC and is not intended to be and does not constitute legal or tax advice. These laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of our Shares. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore and the PRC could later disagree with the explanations or conclusions set out below.

The discussion is limited to a general description of certain tax consequences in Singapore and the PRC with respect to ownership of the Shares by Singapore investors, and does not ps o

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from Singapore income tax if the following conditions are met:

- (i) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;
- (ii) at the time the income is received in Singapore by the person resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called), levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15.0 per cent. (15.0%); and
- (iii) the Comptroller of Income Tax in Singapore is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

Dividend Distributions

All Singapore-resident companies are currently under the one-tier corporate tax system (the “**one-tier system**”).

There is no need to withhold tax on dividend payments, even if there are withholding tax rates ascribed to dividends in some of the avoidance of double taxation agreements. Singapore

Stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an agreement or instrument of transfer is executed outside Singapore or no agreement or instrument of transfer is executed, no stamp duty is payable on the acquisition of the Shares. However, stamp duty may be payable if the agreement or instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of the Shares through the scripless trading system operated by CDP.

Estate duty

With effect from 15 February 2008, Singapore estate duty has been abolished.

Goods and Services Tax

The sale of the Shares by a GST-registered investor belonging in Singapore for GST purposes or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where the Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero per cent. (0.0%). Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the allotment, issue or transfer of ownership of the Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of the Shares will be subject to GST at the prevailing rate of 7.0 per cent. (7.0%). Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor

APPENDIX C – TAXATION

Income Tax

According to the Enterprise Income Tax Law (the “EIT Law”), which was promulgated on 16 March 2007, last amended on 29 December 2018 and took effect on the same date, and the Implementation Regulations on the EIT Law (国务院令 第619号公布《中华人民共和国企业所得税法实施条例》自2007年12月18日起施行), which was promulgated on 6 December 2007 and amended on 23 April 2019 by the State Council, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its income derived from both inside and outside the PRC at the rate of enterprise income tax of 25.0%. A non-resident enterprise that has an establishment or place of business in the PRC shall pay enterprise income tax on its income derived from inside the PRC and obtained by such establishment or place of business, and on its income which derives from outside the PRC but has actual relationship with such establishment or place of business, at the rate of enterprise income tax of 25.0%. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but its income has no actual relationship with such establishment or place of business, shall pay enterprise income tax on its income deriving from inside the PRC at the reduced rate of enterprise income tax of 10.0%.

Income Tax in Relation to Dividend Distribution

The PRC and the government of Singapore entered into the Arrangement between the PRC and Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (中华人民共和国政府和新加坡政府关于对所得避免双重征税和防止偷逃税的安排) (the “Arrangement”) on 23 July 2007. According to the Arrangement, the withholding tax rate 5.0% applies to dividends paid by a PRC company to a Singapore resident, provided that such Singapore resident directly holds at least 25.0% of the equity interests in the PRC company. The 10.0% withholding tax rate applies to dividends paid by a PRC company to a Singapore resident if such Singapore resident holds less than 25.0% of the equity interests in the PRC company.

Pursuant to the Circular of the State Administration of Taxation (“SAT”) on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (国家税务总局关于实施税收协定股息条款有关问题的通知), which was promulgated by the SAT and took effect on 20 February 2009, all of the following requirements shall be satisfied where a fiscal resident of the other party to a tax agreement needs to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a PRC resident company: (a) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (b) owner’s equity interests and voting shares of the PRC resident company directly owned by such a fiscal resident should reach specified percentage; and (c) the equity interests of the PRC resident company directly owned by such a fiscal resident, at any time during the 12 months prior to the obtainment of the dividends, should reach a percentage specified in the tax agreement.

Value-added Tax

According to the Temporary Regulations on Value-added Tax of the PRC (中华人民共和国增值税暂行条例), which was promulgated by the State Council on 13 December 1993 and amended on 10 November 2008, 6 February 2016 and 19 November 2017, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax of the PRC (中华人民共和国增值税暂行条例实施细则), which was promulgated by the Ministry of Finance (the “MOF”) on 25 December 1993 and amended on 15 December 2008 and 28 October 2011, all taxpayers selling goods, providing processing, repairing or replacement services, engaging in sale of services, intangible assets, immovable assets or importing goods within the PRC shall pay value-added tax. The tax rate of

17.0% shall be levied on general taxpayers selling or importing various goods or providing processing, repairing or replacement service. The applicable rate for the export of goods by taxpayers shall be nil, unless otherwise stipulated.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (辟鯨 韃鉗諭朶 韃也韻設), which was promulgated by the MOF and the SAT, taxation reforms were launched in a gradual manner with effect from 1 January 2012, whereby the collection of value-added tax in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service indust

APPENDIX C – TAXATION

- (b) the business activities undertaken by the applicant do not constitute substantive business activities;
- (c) the treaty counterparty country (region) does not levy tax on the relevant income or exempts tax on the relevant income, or levies tax but the actual tax rate is very low;
- (d) in addition to the loan contract for which interests are derived and paid, there is/are other loan or deposit contract(s) between the creditor and the third party where the amount, interest rate and date of execution etc. are similar; and
- (e) in addition to the transfer contract of rights such as copyright, patent or technology for which the royalties are derived and paid, there is/are other transfer contract(s) of rights or ownership, such as in relation to copyright, patent and technology between the applicant and a third party,

such factors will be unfavourable for applicants to be recognised as the “beneficial owner” to enjoy the abovementioned reduced income tax rate of 5.0% under the Arrangement.

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1 April 2022

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A u t o r s s p o n s o r t A u t o t C o n F n n t t n t s

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, nde to

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any s

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For the financial year ended 31 December 2019, 2020 and 2021

		2021	2020	2019
Assets				
Current assets				
Cash and cash equivalents	11	155,168	25,863	18,374
Financial assets, at fair value through profit or loss	12	52,292	80,594	77,881
Debt investments at amortised cost	13	2,034,763	2,748,777	3,359,868
Trade and other receivables	14	125,398	440,244	25,037
		2,367,621	3,295,478	3,481,160
Non-current assets				
Financial assets, at fair value through profit or loss	12	189,122	454,556	427,545
Debt investments at amortised cost	13	753,923	689,940	154,727
Trade and other receivables	14	3,528	64,249	10,182
Investments in associated companies	8	261,853	234,322	227,050
Investment properties	15	–	24,281	24,535
Property, plant and equipment	16	1,366	2,098	2,078
Deferred income tax assets	17	43,205	76,654	72,629
		1,252,997	1,546,100	918,746
		3,620,618	4,841,578	4,399,906
Liabilities				
Current liabilities				
Other payables	18	11,650	45,265	2,760
Current income tax liabilities		59,699	72,586	65,529
		71,349	117,851	68,289
Non-current liabilities				
Deferred income tax liabilities	17	21,352	51,835	82,817
		21,352	51,835	82,817
		92,701	169,686	151,106
Equity				
Contributed equity				
Owner's net investment	20	3,020,128	1,657,377	984,363
Combined capital	19	199,752	2,167,752	2,084,771
Other reserves	19	12,510	13,373	15,042
Retained earnings	19	410,002	730,214	892,255
Foreign currency translation reserve		(114,475)	103,176	272,369
		3,503,917	4,671,932	4,258,807

The accompanying notes form an integral part of these financial statements.

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For the financial year ended 31 December 2019, 2020 and 2021

	W n r s n t C o	2 0 1 9	2 0 2 0	2 0 2 1	F o r t h e c u r r e n t	2 0 1 9	2 0 2 0	2 0 2 1
	2 0 1 9	2 0 2 0	2 0 2 1	2 0 2 1	2 0 2 1	2 0 2 1	2 0 2 1	2 0 2 1
B e g i n n i n g B a l a n c e	3,462,669	199,752	12,131	-	65,753	3,740,305		
Profit for the year	-	-	-	-	344,628	344,628		
Other comprehensive loss for the year	-	-	-	(114,475)	-	(114,475)		
Total comprehensive (loss)/income for the year	-	-	-	-	230,153	230,153		
Transfer	-	-	379	-	(379)	-		
Movement in funding	(442,541)	-	-	-	-	(442,541)		
B e g i n n i n g B a l a n c e	3,020,128	199,752	12,510	(114,475)	410,002	3,527,917		
Profit for the year	-	-	-	-	321,075	321,075		
Other comprehensive income for the year	-	-	-	217,651	-	217,651		
Total comprehensive income for the year	-	-	-	217,651	321,075	538,726		
Transfer	-	-	863	-	(863)	-		
Movement in combined capital	-	1,968,000	-	-	-	1,968,000		
Movement in funding	(1,362,751)	-	-	-	-	(1,362,751)		
B e g i n n i n g B a l a n c e	1,657,377	2,167,752	13,373	103,176	730,214	4,671,892		
Profit for the year	-	-	-	-	327,238	327,238		
Other comprehensive income for the year	-	-	-	169,193	-	169,193		
Total comprehensive income for the year	-	-	-	169,193	327,238	496,431		
Distributions to owner*	-	-	-	-	(163,528)	(163,528)		
Movement in combined capital	-	(82,981)	-	-	-	(82,981)		
Transfer	-	-	1,669	-	(1,669)	-		
Movement in funding	(673,014)	-	-	-	-	(673,014)		

* Relates to the distribution of dividend by JJR and JNCT to their respective holding companies that are wholly owned subsidiaries of the YZJ Group.

The accompanying notes form an integral part of these financial statements.

	2019		2018	
	YTD	YTD	YTD	YTD
Cash flows from financing activities				
Proceeds from capital injection	-	1,968,000	-	-
Capital reduction	-	-	(82,981)	-
Movement in funding from YZJ Group	(437,834)	(1,362,172)	(702,064)	-
Distributions to owner	-	-	(163,528)	-
Total cash flows from financing activities	(437,834)	605,828	(948,573)	-
Changes in cash and cash equivalents	134,527	(134,860)	(6,068)	-
Cash and cash equivalents				
Beginning of financial year	24,394	155,168	25,863	-
Effects of currency translation on cash and cash equivalents	(3,753)	5,555	(1,421)	-
End of financial year	20,641	125,863	24,442	-

The accompanying notes form an integral part of these financial statements.

YANGJIANG FINANCIAL HOLDING COMPANY LIMITED

INTERFINANCIAL AFFILIATES

For the financial years ended 31 December 2019, 2020 and 2021

General information (continued)

General information (continued)

As at the date of this report, the Company has direct and indirect interest in the following subsidiaries:

Subsidiaries	Country of incorporation	Principal activities	Estimated interest		
			As at 31 December 2019	31 December 2020	31 December 2021

Direct

Jiangsu Yangchuan Investment Development Co., Ltd.	The PRC	Investment holding			
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For the financial years ended 31 December 2019, 2020 and 2021

G n r 2 n o r 2 o n t r o r 2 s t o n r 2 s 2 s o p r s n t t o n (continued)

2 o r 2 s t o n r 2 s (continued)

In preparation for the listing of the Company's shares on the Mainboard of the Singapore Exchange Securities Trading Limited, the YZJ Financial Group underwent the Reorganisation as described below, which resulted in the Company becoming the holding company of the YZJ Financial Group:

- (i) on 5 January 2022, a dividend of RMB18.6 billion was declared by Jiangsu New Yangzi Shipbuilding Co., Ltd. ("JNYS") to its 51.1% shareholder, Jiangsu Yangzijiang Shipbuilding Co., Ltd. ("JYS"). No dividends were declared in favour of the other two (2) shareholders, Yitian Investments Pte. Ltd. and Seavi Advent Asia Investments (III) Ltd, which collectively hold 48.9% of the shares in JNYS, and which are wholly-owned subsidiaries of YZJ Group). The RMB18.6 billion dividend was recorded in the books of JYS as a dividend receivable (the "JNYS Dividend Receivable");
- (ii) on 31 January 2022, JYS declared dividends amounting to RMB19.99 billion to YZJ, and such amount was recorded in the accounts of YZJ as a dividend receivable (the "JYS Dividend Receivable") and in the accounts of JYS as a dividend payable ("JYS Dividend Payable");
- (iii) on 8 February 2022, JYS assigned the RMB18.6 billion JNYS Dividend Receivable, RMB1.4 billion cash, RMB19.99 billion JYS Dividend Payable and RMB0.01 billion share capital to Jiangsu Yangchuan Investment Development Co., Ltd ("JYC"), a separate PRC company established, following the company split of JYS under PRC laws (the "Assignment"). As a consequence of the Assignment, YZJ had a RMB19.99 billion receivable from JYC (the "JYA Receivable"); YZJ is the beneficial owner of both JYS and JYC. On 8 February 2022, JYC also entered into binding agreements for the acquisition of equity interests in JNCT and JJR for the purchase considerations of RMB1.00 and RMB689,810,000, respectively. The purchase considerations were based on the net book values of the entities. JYC's acquisition of the equity interests in JNCT and JJR were completed on 28 February 2022 and 26 March 2022 respectively;
- (iv) on 15 February 2022, YZJ injected capital of RMB0.01 billion (or the SGD equivalent of the same amount) into the Company, and the shares in JYC were transferred by YZJ to the Company at a consideration of RMB0.01 billion (the "Transfer"). As a consequence of the Transfer, YZJ recorded a RMB0.01 billion investment in the Company. YZJ also re-assigned the JYA Receivable of RMB19.99 billion to the Company and recorded a corresponding RMB19.99 billion of receivables from the Company (the "YZJ Receivables");
- (v) on 25 March 2022, YZJ capitalised the YZJ Receivables owing from the Company to YZJ into shares in the Company. On 8 February 2022, JYC completed the purchase of certain Investment Business related investments (i.e. including the Debt Investments at amortised costs, financial assets at fair value through profit and loss, and investment in associated companies). These assets were acquired by JYC from JNYS and JYS.

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For the financial years ended 31 December 2019, 2020 and 2021

Group reorganisation risks (continued)

2. Reorganisation risks (continued)

Immediately after the completion of the Reorganisation on 26 March 2022, the Company became the holding company of the YZJ Financial Group and the Investment Business.

The ultimate controlling shareholder of the YZJ Financial Group before and after completion of the Reorganisation is Yangzijiang Shipbuilding (Holdings) Ltd. ("YZJ").

As used herein, the term "YZJ Financial Group" or "the Group" is used for YZJ Financial Group, as the context requires.

Business presentation

Pursuant to the Reorganisation, the Investment Business is transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business.

The Reorganisation is a capital reorganisation of the Investment Business under common control of YZJ. Accordingly, these combined financial statements of YZJ Financial Group have been prepared and presented as a continuation of the activities of the Investment Business of the YZJ Group, with the assets and liabilities of the YZJ Financial Group recognised and measured at the carrying amounts of the Investment Business for all periods presented from the Investment Business perspective.

The combined financial statements of the Investment Business for the Track Record period were included in the following manner:

- Transactions and balances specifically identified as relating to the Investment Business were combined in the combined financial statements*; and
- Intercompany transactions, balances, unrealised profits or losses on transactions between companies now comprising the YZJ Financial Group are eliminated on consolidation.

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For the financial years ended 31 December 2019, 2020 and 2021

G n r t n o r t o n t r o r n s t o n r s t s o p r s n t t o n (continued)

B s o p r s n t t o n (continued)

*With regard to approximately 15.1% of the debt investments at amortised cost and 16.8% of the financial assets at fair value through profit and loss ("FVTPL") that were recorded by YZJ Group as at 31 December 2021, these assets ("Excluded Investments") will not be acquired by the Group due to various reasons, including the fact that some of these debt investments are involved in ongoing litigation to recover overdue payment, and that if these debt investments were to be transferred from YZJ Group to the Group, it could jeopardise the legal position of YZJ Group. Some other debt investments were also not transferred because the contracting counterparties are unwilling to consent to the novation of the agreement from YZJ Group to the Group or because such assets matured before the Reorganisation was completed. Certain FVTPL will not be transferred as the relevant contracts restrict a change in the owner and/or there are practical difficulties in effecting the transfer of ownership in respect of companies that are in the midst of restructuring. Management has continued to include the results of such Excluded Investments in these combined financial statements of YZJ Financial Group on the basis that such investments were managed as part of the Investment Business as a whole and henceforth formed part of the economic activities of the Investment Business during the Track Record period.

The Combined Financial Statements include activity-based allocation from YZJ for centrally managed costs and expenses, and

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For the financial years ended 31 December 2019, 2020 and 2021

2 **Balance sheet**

2 **Profit and loss**

These combined financial statements have been prepared on a “carve-out basis” from the

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For the financial years ended 31 December 2019, 2020 and 2021

2 **Trade and other receivables and other payables** (continued)

2.2 **Contract liabilities** (continued)

- Trade and other receivables and other payables have been allocated to the Investment Business based on specific identification.
- Income tax related balances have been allocated as if the components comprising the Investment Business were separate taxable entities.

Combined Statements of Comprehensive Income

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For the financial years ended 31 December 2019, 2020 and 2021

2. **Owner's net investment in subsidiaries** (continued)

2.2 **Owner's net investment in subsidiaries** (continued)

Owner's net investment and funding structure

The YZJ Group utilises a central approach for cash management and the funding of its operations. As a contractual obligation to deliver cash or other financial assets in relation to the funding from other YZJ Group entities did not exist during the historical periods presented and the balances will not be settled with YZJ Financial Group's own equity instruments, all balances with YZJ Group are presented as owner's net investment in the combined financial statements, except for intercompany current accounts with YZJ Group that are settled periodically based on instructions from YZJ Group treasury department.

Cash deposits of the YZJ Group are monitored and managed by the treasury department. Amounts for cash, cash equivalents and debt are reflected in the combined financial statements only for those activities of YZJ Financial Group that operated or existed in separate dedicated Investment Business legal entities, during the Track Record period. For all other activities, cash and debt balances with YZJ Group have been presented as part of owner's net investment. The funding structure is therefore not necessarily representative of the financing that would have been reported if YZJ Financial Group operated on its own or as an entity independent from YZJ Group during the periods presented, nor is it indicative of the financing that may arise in the future.

2. **Adoption of new standards**

The following mandatory standards, amendments and interpretations to existing SFRS(I) that have been published and are relevant for the YZJ Financial Group's accounting periods beginning on 1 January 2021 and which the YZJ Financial Group has not early adopted.

Description	Effective date
Amendments to SFRS(I) 16 Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)	1 April 2021
Amendments to SFRS(I) 3 Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Annual improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023

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2. **Intangible assets** (continued)

2. **Group** (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

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For the financial years ended 31 December 2019, 2020 and 2021

2 Net amount disposals (continued)

2 Group amount (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including cash and other

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For the financial years ended 31 December 2019, 2020 and 2021

2 Investment amounts (continued)

2 Group amounts (continued)

(b) Associated companies (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

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For the financial years ended 31 December 2019, 2020 and 2021

2 **Intangible assets** (continued)

2 **Intangible assets**

(a) *Interest income*

Interest income is recognised using the effective interest rate method.

(b) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2 **Financial assets**

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

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For the financial years ended 31 December 2019, 2020 and 2021

2. Financial instruments (continued)

2. Financial instruments (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and debt investments at amortised cost.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Fair value changes on financial assets, at fair value through profit or loss".

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 22 details how the Group determines whether there has been a significant increase in credit risk.

For cash and cash equivalents, debt investments at amortised cost and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Debt financial assets carried at amortised cost are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where debt financial assets carried at amortised cost are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

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For the financial years ended 31 December 2019, 2020 and 2021

2 **Financial instruments** (continued)

2 **Financial assets** (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the

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For the financial years ended 31 December 2019, 2020 and 2021

2. **Income tax** (continued)

2. **Income tax**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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For the financial years ended 31 December 2019, 2020 and 2021

2. **Provisions** (continued)

2. **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

2. **Property, plant and equipment**

(a) *Measurement*

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(b) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) *Depreciation*

Depreciation is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives, as follows:

Useful lives

Buildings	20 years or shorter of lease term
Furniture, fittings and equipment	5 – 12 years

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For the financial years ended 31 December 2019, 2020 and 2021

2. Impairment losses (continued)

2.2 Impairment of non-financial assets (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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Credit loss provisions on debt investments (continued)

Impairment of debt investments at amortised cost (continued)

Management has determined the expected loss rates by grouping the borrowers according to internal risk management grading. A reversal of loss allowance of \$10,132,000 (2020: loss allowance of \$107,728,000, 2019: loss allowance of \$25,320,000) for debt investments at amortised cost was recognised during financial year. The Group's credit risk exposure for debt investments at amortised cost (including the ECL rates applied) is set out in Note 22(b)(iv).

As stated in Note 22(b)(iv), the forward looking macroeconomic data for LGD and PD incorporates adjustments for weighted average economic scenario outcomes, being 23% upside, 17% downside and 60% base (2020 and 2019: 5% upside, 15% downside and 80% base) case scenarios. The impact on profit before tax arising from a change in the weighted average economic scenario outcomes as at 31 December is as follows:

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For the financial years ended 31 December 2019, 2020 and 2021

E p o o p n s t o n

	2019	2020	2021
Salaries, wages and employer's contributions to defined contribution plans	910	1,429	1,45

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For the financial years ended 31 December 2019, 2020 and 2021

Inv st nts n sso t o p n s (continued)

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Shanghai Chengding New Yangzi Investment Partnership Enterprise (“Limited Partnership”)	Engaging in venture capital investment and providing seed capital	RC	29.85	29.85	29.85	
Zhuhai Interconnect Leading High-Tech Industrial Investment Center (“Limited Partnership”)	Engaging in venture capital investment and providing seed capital	RC	30	30		–
Wuxi Jinrui Zhonghe Investment Enterprise (“Limited Partnership”)	Engaging in venture capital investment and providing seed capital	RC	33.33			–
Jiangsu Sushang Joint Industry Investment Partnership (“Limited Partnership”)	Engaging in venture capital investment and providing seed capital	RC	23.74	20.32		20.32
Jiangsu Nantong Yanhai Emerging Industrial Investment Fund (“Limited Partnership”)	Engaging in venture capital investment and providing seed capital	RC	30	30		30
Jiangsu Jiequan Emerging Industry Development Fund (“Limited Partnership”)	Engaging in venture capital investment and providing seed capital	RC	–	20		20
Shanghai Chengding New Yangzi Investment Management Partnership Enterprise (Limited Partnership)	Engaging in venture capital investment and providing seed capital	RC	12.5	12.5		12.5

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For the financial years ended 31 December 2019, 2020 and 2021

Inv st nts n sso t o p n s (continued)

Summarised statement of comprehensive income (continued)

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associates accounted for using the equity method:

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Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associates, is as follows:

	2	2 2	2 2
Net assets	80,255	138,222	217,213
Group's equity interest	30%	30%	30%
Group's share of net assets	24,077	41,467	65,164
Add: Carrying value of individually immaterial associates, in aggregate	237,776	192,855	161,886
Carrying value of group's interest in associates	261,853	234,322	227,050

	2019	2020	2021
Income tax expense/(credit) attributable to profit is made up of:			
– Current income tax	61,042	71,470	64,420
– Deferred income tax (Note 17)	20,357	(1,863)	35,519
– Under provision in prior financial years	–	–	–
	<u>81,399</u>	<u>69,607</u>	<u>99,939</u>

In o t s

	2019	2020	2021
Income tax expense/(credit) attributable to profit is made up of:			
– Current income tax	61,042	71,470	64,420
– Deferred income tax (Note 17)	20,357	(1,863)	35,519
– Under provision in prior financial years	–	–	–
	<u>81,399</u>	<u>69,607</u>	<u>99,939</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the 25% RC standard rate of income tax as follows:

	2019	2020	2021
Profit before income tax	426,027	390,682	427,177
Share of results of associated companies, net of tax	(22,271)	(30,964)	(55,285)
Profit before income tax and share of results of associated companies	<u>403,756</u>	<u>359,718</u>	<u>371,892</u>
Tax calculated at the applicable tax rate of 25% (2020: 25%, 2019: 25%)	100,939	89,930	92,973
Effect of:			
– Tax exemption and different tax rates	(39,192)	(37,930)	(11,767)
– Deferred tax on undistributed profits	18,138	16,899	17,546
– Expenses not deductible for tax purposes	1,514	708	1,187
Tax charge	<u>81,399</u>	<u>69,607</u>	<u>99,939</u>

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For the financial years ended 31 December 2019, 2020 and 2021

Earnings per share

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

	2019	2020	2021
Net profit attributable to owners of the Investment Business (\$'000)	344,628	321,075	327,238
Weighted average number of ordinary shares ('000) [Note (a)]	3,950,589	3,950,589	3,950,589
Basic earnings per share (\$ cents)	8.72	8.13	8.28

(a) The weighted average number of ordinary shares is derived from the number of ordinary shares in issue by the Company, adjusted retrospectively for the effects of reorganisation as described in Note 1.2.

Diluted earnings per share is equivalent to the basic earnings, as the Company does not have any dilutive potential ordinary shares.

Cash resources

	2019	2020	2021
Cash at bank and on hand	155,168	25,863	18,374

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For the financial years ended 31 December 2019, 2020 and 2021

£ Financial assets at fair value through profit or loss

	£	£ £	£ £
Beginning of financial year	249,921	241,414	535,150
Additions	15,889	255,003	97,008
Fair value gain/(losses) through profit and loss	3,715	65,122	(62,801)
Disposals	(20,021)	(42,596)	(87,235)
Currency translation difference	(8,090)	16,207	23,304
End of financial year	241,414	535,150	505,426

Financial assets, at fair value through profit or loss are analysed as follows:

	£	£ £	£ £
<u>Current</u>			
Listed			
– Equity securities – RC	31,031	27,913	75,761
Unlisted			
– Equity securities – RC	21,261	52,681	2,120
	52,292	80,594	77,881
<u>Non-Current</u>			
Unlisted			
– Equity securities – RC	189,122	454,556	427,545
	241,414	535,150	505,426

The instruments are all mandatorily measured at fair value through profit or loss.

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For the financial years ended 31 December 2019, 2020 and 2021

D e b t i n v e s t m e n t s i n f i x e d i n t e r e s t i n s t r u m e n t s

The Group invests in fixed interest debt instruments through intermediary financial institutions for specific borrowings arranged by these intermediaries.

Movements during the year are as follows:

	2019	2020	2021
Beginning of financial year	2,958,407	2,788,686	3,438,717
Addition	2,697,055	4,766,414	4,570,026
Redemptions	(2,747,228)	(4,182,304)	(4,658,545)

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For the financial years ended 31 December 2019, 2020 and 2021

r n o t r r a v s (continued)

	2019	2020	2021
<i>Non-current</i>			
Trade receivables			
Loans to non-related parties			
– microfinance [Note (a)]	4,205	14,162	10,182
Less: Allowance for impairment of loans to non-related parties – microfinance	(692)	–	–
Currency translation difference	15	–	–
	3,528	14,162	10,182
Other receivables			
– Loan to a related party [Note (c)]	–	50,087	–
	3,528	64,249	10,182

(a) Loans to non-related parties related to microfinance 96-29.8112(o)-29..8112(799..10961956(,)-30.100.1005(o)-30.0969(r4(c)-243(a)-29

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For the financial years ended 31 December 2019, 2020 and 2021

Investment properties (continued)

At the reporting date, the details of the Group's investment properties are as follows:

Location	Description	Term	Carrying amounts	
			2021	2020
Jiangyin City Real Estate property No. 0002049, Ganglong Commercial Plaza No. 209-212	Retail building	32-year lease from June 2020	22,185	22,453
Room 801, No. 95 Dongjin West Road, Hailing District	Commercial building	23-year lease from May 2020	2,096	2,082
			<u>24,281</u>	<u>24,535</u>

The fair value of investment properties at 31 December 2021 is approximately \$27,618,538 (2020: \$43,340,025).

The fair value was determined by external, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The foregoing is an

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For the financial years ended 31 December 2019, 2020 and 2021

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	Bū t n s	Furn tur / t t n s qu p nt	ot
2			
<i>Cost</i>			
Beginning of financial year	1,490	6	1,496
Additions	–	–	–
Disposal	(7)	–	(7)
Currency translation difference	(48)	–	(48)
End of financial year	1,435	6	1,441
<i>Accumulated depreciation</i>			
Beginning of financial year	–	(5)	(5)
Depreciation charge	(71)	–	(71)
Currency translation difference	1	–	1
End of financial year	(70)	(5)	(75)
Net book value			
En o t n n t r	1,365	1	1,366
2 2			
<i>Cost</i>			
Beginning of financial year	1,435	6	1,441
Additions	748	–	748
Disposal	–	–	–
Currency translation difference	82	–	82
End of financial year	2,265	6	2,271

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For the financial years ended 31 December 2019, 2020 and 2021

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	Bū š n s	Furh tur / š t n s qū p nt	ot
<i>Accumulated depreciation</i>			
Beginning of financial year	(70)	(5)	(75)
Depreciation charge	(93)	–	(93)
Currency translation difference	(4)	(1)	(5)
End of financial year	(167)	(6)	(173)
Net book value			
En o š n n š r	2,098	–	2,098
2 2			
<i>Cost</i>			
Beginning of financial year	2,265	6	2,271
Additions	–	–	–
Disposal	–	–	–
Currency translation difference	103	–	103
End of financial year	2,368	6	2,374
<i>Accumulated depreciation</i>			
Beginning of financial year	(167)	(6)	(173)
Depreciation charge	(113)	–	(113)
Currency translation difference	(10)	–	(10)
End of financial year	(290)	(6)	(296)
Net book value			
En o š n n š r	2,078	–	2,078

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For the financial years ended 31 December 2019, 2020 and 2021

D r r n o t s (continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax assets

	I p r n t _ o s s s
2	
As at 1 January	46,894
Charged to profit or loss	(2,219)
Currency translation difference	(1,470)
As at 31 December	43,205
2 2	
As at 1 January	43,205
Credited to profit or loss	30,844
Currency translation difference	2,605
As at 31 December	76,654
2 2	
As at 1 January	76,654
Charged to profit or loss	(7,367)
Currency translation difference	3,342
As at 31 December	72,629

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For the financial years ended 31 December 2019, 2020 and 2021

D e r r a n o t s (continued)

Deferred income tax liabilities

	2019 n e t p r o f i t s o f c o n t r i b u t o r s	2020 F u l l t i m e e q u i v a l e n t	2021 n e t p r o f i t s
As at 1 January	–	(3,734)	(3,734)
Charged to profit or loss	(18,138)	–	(18,138)
Currency translation difference	399	121	520
As at 31 December	(17,739)	(3,613)	(21,352)
As at 1 January	(17,739)	(3,613)	(21,352)
Charged to profit or loss	(16,899)	(12,082)	(28,981)
Currency translation difference	(1,136)	(366)	(1,502)
As at 31 December	(35,774)	(16,061)	(51,835)
As at 1 January	(35,774)	(16,061)	(51,835)
Charged to profit or loss	(17,546)	(10,606)	(28,152)
Currency translation difference	(1,920)	(910)	(2,830)
As at 31 December	(55,240)	(27,577)	(82,817)
Other payables			
– Related parties	10,482	10,997	609
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For the financial years ended 31 December 2019, 2020 and 2021

C o m b i n e d c a p i t a l a n d r e t a i n e d e a r n i n g s

(a) Combined capital and retained earnings

As disclosed in Note 1.3 above, the combined financial statements have been prepared as if the Group structure after the Reorganisation had been in existence throughout the financial years ended 31 December 2019, 2020 and 2021.

Combined capital and retained earnings as at 31 December 2019, 2020 and 2021 represent the share capital and retained earnings of the dedicated Investment Business legal entities, now comprising part of the Group.

The increase in combined capital of \$1,968,000 in 2020 relates to the incorporation of JNCT, a dedicated Investment Business legal entity in 2020.

The decrease in combined capital of \$82,981 in 2021 relates to a capital reduction of \$82,981 in Jingjiang Runyuan Rural Microfinance Co., Ltd. in 2021.

(b) Other reserves (Statutory reserves)

In accordance with the relevant rules and regulations, the Group's subsidiaries in the

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For the financial years ended 31 December 2019, 2020 and 2021

22 **Financial risks** (continued)

Financial risk factors (continued)

The management is responsible for setting the objectives and underlying principles of financial risk management for the Group, including establishing operating guidelines governing the activities of the Group, such as risk identification and measurement, risk management, oversight responsibilities, authority levels and exposure limits.

(a) Market risk

(i) *Currency risk*

The Group's business operations are not exposed to significant foreign currency risks as there are no significant transactions denominated in foreign currencies.

(iii) *Cash flow and fair value Interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risks arise primarily from its cash and cash equivalents, restricted cash, debt investments at amortised cost and loans to non-related parties – microfinance. The Group's policy is to minimise exposure to variable interest rates of interest-bearing assets.

As at balance sheet date, the Group's investments in debt investments at amortised cost and loans to non-related parties – microfinance were not exposed to cash flow interest rate risk as they were all fixed rated instruments.

(ii) *Price risk*

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets, at FVPL. To manage its price risk arising from these investments, the Group ensures that the investments are within authorised mandate based on its approved financial risk management and operating guidelines.

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For the financial years ended 31 December 2019, 2020 and 2021

22 Financial instruments (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) *Price risk* (continued)

If prices for equity security in the RC had increased/decreased by 10% (2020: 10%, 2019: 10%) with all other variables including tax rate being held constant, the net of tax effects on profit after tax ("PAT") would have been:

	£	£	£
	A	A	A
Increased by	18,106	40,136	37,907
Decreased by	(18,106)	(40,136)	(37,907)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

Except as disclosed below, the maximum exposure to credit risk for those financial assets which the Group and the Company do not hold collaterals is the carrying amount of that class of financial instruments presented on the balance sheet.

The Group's and the Company's credit risk exposure in relation to financial assets at amortised cost and contract assets under SFRS(I) 9 as at 31 December 2021 are set out in the as follows:

(i) *Cash and cash equivalents*

Cash and cash equivalents are considered to have low credit risk as the Group and the Company adopt the policy of dealing only with major banks of high credit standing throughout the world.

To mitigate credit risk, the Company adopts the policy of dealing only with financial institutions and other counterparties with high credit ratings.

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For the financial years ended 31 December 2019, 2020 and 2021

22 Financial statements (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

(ii) *Loans to non-related parties – microfinance*

Loans to non-related parties – microfinance are related to the micro-credit provided to enterprises and individuals.

All the loans to non-related parties – microfinance are secured by either single or a group of collaterals or by guarantees. The Group monitors the market value of these collaterals on a periodic basis and has contractual safeguards in place to minimise credit risk as they have the right to call for additional collateral if the value of the initial collateral is inadequate. The Group uses internal credit risk rating to determine the credit risk and determine the credit loss allowance.

The Group applies a general 3 stage approach to measure expected credit loss. In measuring expected credit loss, the Group considers the probability of default upon the initial recognition of the loan and assess whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

A significant increase in credit risk is presumed if there is a decline in internal credit risk grading. A default on a loan is when the counterparty fails to make contractual payments for a prolonged period when they fall due.

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For the financial years ended 31 December 2019, 2020 and 2021

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For the financial years ended 31 December 2019, 2020 and 2021

22 **Financial risk factors** (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

(ii) *Loans to non-related parties – microfinance* (continued)

The movement in the allowance for impairment loss are as follows:

	₺	₺ ₺	₺ ₺
As at 1 January	2,214	1,026	3,514
Loss allowance recognised in profit or loss during the year on:			
– Assets acquired/originated	7,603	2,749	964
– Reversal of unutilised amounts	(3,544)	(348)	–
	4,059	2,401	964
Receivables written off as uncollectible	(5,201)	–	–
Currency translation difference	(46)	87	177
As at 31 December	1,026	3,514	4,655

(iii) *Other receivables and other financial assets*

Other receivables and other financial assets are due substantially from counterparties with a good collection track record with the Group and subject to immaterial credit losses.

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For the financial years ended 31 December 2019, 2020 and 2021

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For the financial years ended 31 December 2019, 2020 and 2021

22 Financial statements (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

(iv) Debt investments at amortised cost (continued)

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

Category	2019	2020	2021	2022
Expected credit loss rates	5.6%	–	–*	–
Gross carrying amount	2,615,192	–	456,892	3,072,084
Credit loss allowance	(149,847)	–	(139,929)	(289,776)
Currency translation difference	3,298	–	3,080	6,378
Net carrying amount	2,468,643	–	320,043	2,788,686
Expected credit loss rates	5.9%	6.4%	–*	–
Gross carrying amount	3,078,690	105,100	661,672	3,845,462
Credit loss allowance	(179,237)	(6,573)	(214,677)	(400,487)
Currency translation difference	(2,801)	(103)	(3,354)	(6,258)
Net carrying amount	2,896,652	98,424	443,641	3,438,717
Expected credit loss rates	4.0%	4.7%	–*	–
Gross carrying amount	3,158,504	123,430	638,224	3,920,158
Credit loss allowance	(125,182)	(5,749)	(267,774)	(398,705)
Currency translation difference	(2,154)	(98)	(4,606)	(6,858)
Net carrying amount	3,031,168	117,583	365,844	3,514,595

* The ECL for non-performing investment is determined on an individual basis using a discounted cash flow methodology. The expected future cash flows are based on the management estimates as at the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries. Collateral is taken into account if it is likely that the recovery of the outstanding amount will include realisation of collateral based on its estimated fair value of collateral at the time of expected

22 Financial instruments (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

(iv) Debt investments at amortised cost (continued)

The loss allowance for debt investments as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows:

	t .	t .	t .	ot .
£				
Balance at 1 January 2019	199,126	337	109,390	308,853
Transfer to Stage 3	(13,326)	–	13,326	–
Loss allowance recognised in profit or loss during the year on:				
– Asset acquired/originated*	83,248	–	17,786	101,034
– Reversal of unutilised amount	(83,028)	(333)	(47,497)	(130,858)
– Changes in risk parameters**	(33,754)	–	88,898	55,144
	(33,534)	(333)	59,187	25,320
Utilisation	–	–	(41,111)	(41,111)
Currency translation difference	(2,419)	(4)	(863)	(3,286)
Balance at 31 December 2019	149,847	–	139,929	289,776
£ £				
Balance at 1 January 2020	149,847	–	139,929	289,776
Transfer to Stage 3	(9,522)	–	9,522	–
Transfer to Stage 2	(1,526)	1,526	–	–
Loss allowance recognised in profit or loss during the year on:				
– Asset acquired/originated*	128,131	5,663	75,010	208,804
– Reversal of unutilised amount	(71,479)	–	(37,428)	(108,907)
– Changes in risk parameters**	(17,927)	(592)	26,350	7,831
	38,725	5,071	63,932	107,728
Utilisation	–	–	–	–
Currency translation difference	1,713	(24)	1,294	2,983
Balance at 31 December 2020	179,237	6,573	214,677	400,487

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For the financial years ended 31 December 2019, 2020 and 2021

22 Financial instruments (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

(iv) Debt investments at amortised cost (continued)

The loss allowance for debt investments as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows (continued):

	t .	t .	t .	ot .
22				
Balance at 1 January 2021	179,237	6,573	214,677	400,487
Transfer to Stage 3	(6,035)	–	6,035	–
Transfer to Stage 2	(883)	883	–	–
Loss allowance recognised in profit or loss during the year on:				
– Asset acquired/originated*	104,222	–	16,670	120,892
– Reversal of unutilised				

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For the financial years ended 31 December 2019, 2020 and 2021

22 **Financial statements** (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

(iv) *Debt investments at amortised cost* (continued)

The fair value of the collaterals is considered when providing for loss allowance. The carrying amounts of debt investments before loss allowance, presented by the type of collaterals held, are as follows:

	2022	2021	2020
Collateralised by:			
– Listed shares in JRC*	629,158	850,300	581,762
– Unlisted shares in JRC	198,110	1,120,163	732,582
– Properties and land use rights	1,042,322	1,044,591	1,450,906
– Guaranteed by government corporations and non-related corporations	1,202,494	830,408	1,154,908
	3,072,084	3,845,462	3,920,158

* Included in the listed shares in JRC is an amount of \$90,788,698 (2020: \$86,858,093, 2019: \$121,571,735) of shares which will only be available for trading after the expiry of their restriction period.

22 Financial risks (continued)

Financial risk factors (continued)

(c) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and marketable securities to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's non-derivative financial liabilities into relevant maturity groupings on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impyaras discounpihe as

22 Financial statements (continued)

Financial risk factors (continued)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The Group monitors capital on the basis of the total liabilities to total assets ratio.

The Group's strategy is to maintain a stable total liabilities to total assets ratio. The ratios at balance sheet date were as follows:

	£	£ £	£ £
Total liabilities	92,701	169,686	151,106
Total assets	3,620,618	4,841,578	4,399,906
Liability-to-asset ratio	2.6%	3.5%	3.4%

As YZJ Financial Group did not have a separate capital structure prior to legal separation, the Group do not have any external imposed capital requirements for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021.

(e) Fair value measurements

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

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 b

22 Financial instruments (continued)

Financial risk factors (continued)

(e) Fair value measurements (continued)

	v	v	v	ot
31 December 2019				
Assets				
Financial assets, at fair value through profit or loss	31,031	–	210,383	241,414
31 December 2020				
Assets				
Financial assets, at fair value through profit or loss	27,913	–	507,237	535,150
31 December 2021				
Assets				
Financial assets, at fair value through profit or loss	75,761	–	429,665	505,426

There were no transfers between Levels 1 and 2 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1 of the fair value hierarchy.

The fair values of unlisted equity securities, classified as financial assets at fair value through profit or loss have been determined by reference to the Company's share in attributable net assets in the investee companies. The investee companies have measured their own investments at fair value. The fair values are within level 3 of the fair value hierarchy.

The fair values of current financial assets and liabilities are 282.497.0 and 30.0

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For the financial years ended 31 December 2019, 2020 and 2021

22 Financial instruments (continued)

Financial risk factors (continued)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments:

	net quantity in units
2	
Beginning of the financial year	216,434
Purchases	15,889
Disposal	(18,867)
Total gains for the period included in:	
- Profit and loss [Note (a)]	3,962
Currency translation difference	(7,035)
End of financial year	210,383
Fair value gains for the period included in profit or loss for financial assets held at the end of the financial year [Note (a)]	3,962
2 2	
Beginning of the financial year	210,383
Purchases	254,365
Disposal	(39,799)
Total gains for the period included in:	
- Profit and loss [Note (a)]	67,536
Currency translation difference	14,752
End of financial year	507,237
Fair value gains for the period included in profit or loss for financial assets held at the end of the financial year [Note (a)]	67,536

	2019	2020	2021
Financial assets, at amortised cost	3,072,780	3,969,073	3,568,188
Financial liabilities, at amortised cost	(11,650)	(45,265)	(2,760)

Financial risk factors (continued)

Financial risk factors (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet, except for the following:

	2019	2020	2021
Financial assets, at amortised cost	3,072,780	3,969,073	3,568,188
Financial liabilities, at amortised cost	(11,650)	(45,265)	(2,760)

Related party transactions

In addition to the information disclosed elsewhere in the combined financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Related party transactions

	2019	2020	2021
Interest income from related parties	10,682	7,010	4,572
Advances/loans to related parties	(64,822)	(245,834)	–
Advances/loan repayments received from related parties	–	65,489	256,560
Capital injection from YZJ Group	–	1,968,000	–
Capital return to YZJ Group	–	–	(82,981)
Debt investment at amortised costs – loan to a related party	–	–	(14,837)
Distributions to owner	–	–	(163,528)
Movement in funding to YZJ Group	(442,541)	(1,362,751)	(673,014)

Related parties comprise mainly companies which are controlled or jointly controlled by the YZJ Group and companies which are controlled or jointly controlled by a member of the Group's key management personnel or a close member of that person's family.

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For the financial years ended 31 December 2019, 2020 and 2021

2 Debt transactions (continued)

As at 31 December 2021, \$37,517,000 of the debt investments at amortised cost are with related parties (2020: nil, 2019: nil), out of which \$14,837,000 was transacted in 2021 and the remaining \$22,680,000 was transacted with another party in 2020, before it became a related party of the Group in 2021.

Other

Other

Other

YANGZIJIANG FINANCIAL HOLDING LIMITED

INTERIM FINANCIAL STATEMENTS

For the financial years ended 31 December 2019, 2020 and 2021

2. Impact of COVID-19

In 2020, the COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in the PRC, which has not been spared by the spread of COVID-19.

The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets and provisions for onerous contracts as at 31 December 2021. Significant estimates and judgement applied on estimation of impairment of assets are disclosed in Note 3.

2. Authorization of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Yangzijiang Financial Holding Ltd. passed on 1 April 2022.

The accompanying notes form an integral part of these financial statements.

Local Regulatory Authorities

Competent regulatory authorities administering the microfinance industry must be provinces, autonomous regions and municipalities under the central government of the PRC (the "Central Government"). Nowadays, the microfinance industry in China is general governed by the office of finance of the people's government of provinces, autonomous regions and municipalities.

National Guiding Policies

The Guizhou Financial Holding Company Limited (GFHC) and the Bank of China (BOC) and other financial institutions, limited liability companies, incorporated in the PRC, are subject to the supervision and administration of the PBOC and the CBRC.

APPENDIX E, GOVERNMENT REGULATION

Lending Cases (《关于规范民间借贷行为维护经济金融秩序有关事项的通知》) issued by the Supreme People's Court on 29 December 2020 and which took effect on 1 January 2021, the loan interest rate charged by a microfinance company up to four (4) times of the one (1)-year loan prime rate which was announced by the National Inter-bank Lending centre of PBOC is valid and enforceable.

- The specific floating rate shall be determined by the microfinance company based on market-oriented principles:
 - (a) The outstanding amount of loan made to the same borrower by a microfinance company cannot exceed 10.0% of its net capital and the outstanding amount of loan made to the same borrower and its related parties by a microfinance company cannot exceed 10.0% of its net capital;
 - (b) No founder being natural persons, enterprises and other social organisations of the microfinance companies and no natural person as a director, supervisor, or senior management of microfinance companies has any criminal or bad credit record;
 - (c) The microfinance company shall, according to relevant provisions, set up prudent and normative asset classification and provision systems, accurately classify the assets, make full provision for allowances for doubtful accounts, and guarantee that its adequacy ratio of provision for asset losses always remain above 100.0% in order to fully cover all risks;
 - (d) The microfinance company shall establish a sound corporate governance structure and loan management system, and strengthen internal control; and
 - (e) The PBOC will trace and monitor the interest rates and capital flows of microfinance companies, and will include them in the credit system. The microfinance company shall regularly provide the credit system with information about the borrower, loan amount, guarantee and repayment, and other business information.

Pursuant to the Legislative Law of the People's Republic of China (《立法法》) (the "Legislative Law") which was promulgated by the Standing Committee of the National People's Congress on 1 March 2000, took effect on 1 July 2000 and amended on 1 March 2015, all the ministries and commissions of the State Council, the PBOC, the General Administration for Auditing, and organisations with administrative functions directly under the State Council may, in accordance with laws, administrative regulations, decisions and orders of the State Council, enact administrative rules within the scope of its authority, and an administrative rule shall be promulgated through an order signed by the head of the relevant department. Furthermore, according to the Legislative Law, the people's government of provinces, autonomous regions, municipalities directly under the Central Government, cities with districts or autonomous prefectures may enact local rules according to laws and administrative regulations as well as local regulations of their respective provinces, autonomous regions or municipalities directly under the Central Government, and a local rule shall be promulgated by way of an order signed by the provincial governor, the chairman of the autonomous region, the mayor of the city or the governor of the autonomous prefecture. As advised by the Legal Advisers to our Company as to PRC Law, (1) the Guiding Opinions shall not be regarded as administrative rules (规范性文件) in accordance with the Legislative Law, the documents issued by regulatory departments of Jiangsu provincial government shall not be regarded as local rules (规范性文件) in accordance with the Legislative Law, and in the event of selective application of rules in conflict, the Guiding Opinions are not superior to other normative documents issued by regulatory departments of Jiangsu provincial

government in terms of legal hierarchy; and (2) regulatory departments of Jiangsu provincial government are entitled to decide whether to apply to Guiding Opinions and approve establishment of microfinance company within Jiangsu Province in accordance with the documents issued by regulatory departments of the Jiangsu provincial government.

Local Regulatory Policies in Jiangsu Province

At present, pilot operations of microfinance companies are supervised and managed by authorised authorities at provincial level. Provincial governments with a designated supervising authority for microfinance companies have promulgated various administration measures to establish that the provincial government authorities (such as provincial-level finance bureaus) are responsible for the supervision and management of microfinance companies. These provincial governments and competent authorities also issued various regulatory policies and measures for the purpose of supervising and managing microfinance companies in their respective supervising region.

Given that our business is confined within the region of Jiangsu Province, the review of laws and regulations at local level is to be focused on regulations issued by applicable Jiangsu authorities. A rural microfinance company shall be subject to regulations and policies stated as below:

Establishment

- Pursuant to the Circular on Further Regulating the Approval and Administration of Rural Microfinance Companies (見頤乍聯鷄綦小昆駙歷覆丁鷲蔽競躡鏗奈E 遍臆 麥毛 危) (the “**January, 2011 Circular**”) issued on 26 January 2011 by the Jiangsu Finance Office (蘇省金融辦), the number of shareholders, being natural persons and/or enterprises, of a rural microfinance company shall be below 10 as in the case of a limited liability company, or between 2 to 200 as in the case of a joint stock limited liability company, more than half of whom shall have domiciles within the territory of the PRC. Pursuant to the Circular on Further Enhancing the Regulation of Rural Microfinance Company (見頤乍聯鷄葉蓄昆駙歷覆丁鷲蔽競會奈遍臆 麥毛 危) (the “**September, 2011 Circular**”) issued on 23 September 2011 by the Jiangsu Finance Office, shareholders of a rural microfinance company shall include at least three non-affiliated legal persons and 971 Td [(F) 0.1012(u) 0.09 81(a) 0.09 8(a) 0.09 8(t) 0.1

experiences or more than five (五) years rural economic working experiences; the financial personnel shall obtain accounting certificates and have more than three (三) years financial and accounting working experiences; the other persons shall have more than three (三) years relevant economic working experiences; the main business personnel shall attend pre-service trainings organised by the Jiangsu Finance Office;

- A rural microfinance company shall enact its articles of association in accordance with the Company Law and the 2⁴ November 2007 Opinions and engage in the business according to its articles of association.
- The establishment of a rural microfinance company in Jiangsu Province shall follow the procedure below:
 - (a) **Formation of pilot operation plan:** The relevant local government at city level shall first formulate and submit its pilot operation plan to the Jiangsu Province Rural Microfinance Pilot Work Organization Leading Group (

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- Notwithstanding the above, pursuant to the Implementation Rules Regarding Regulatory Punishments on Rural Microfinance Companies in Jiangsu Province (Provisional) (蘇省農村小額貸款公司監管暫行辦法) (the “**August Implementation Rules**”) issued by the Jiangsu Finance Office on 28 August 2012, if a microfinance company violated the relevant provisions, such as receiving deposits from the public without approval and refusing to implement the regulatory punishment, it may be ordered to terminate its business operations. The 28 August 2012 Implementation Rules however do not provide that the approval on the promotion and commencement of business will be revoked if a microfinance company violated the relevant provisions.

Requirements for a Rural Microfinance Company to conduct Business

- **the interest policy:** Pursuant to the Circular Concerning Further Support of the Sustainable and Sound Development of Microfinance Companies (關於進一步支持農村小額貸款公司健康發展的通知) (the “**February Circular**”) issued on 16 February 2013, by the Jiangsu Finance Office (蘇省金融辦), from 1 January 2013, for loans in the amount of RMB100,000 or below, the annual interest rate charged for a single loan shall not exceed four (4) times of the benchmark interest rate; for loans in the amount exceeding RMB100,000, the annual average interest rate (calculated in weighted average method) charged for all such loans shall not exceed 18.0% while the highest annual interest rate charged for a single loan shall not exceed four (4) times of the benchmark interest rate;
- **the three rural policy:** Pursuant to the Circular Concerning Promoting the Sound and Fast Development of Rural Microfinance Companies (關於促進農村小額貸款公司健康快速發展的通知) (蘇省金融辦) issued on 28 November 2009 by the General Office of Jiangsu Province People’s Government (蘇省政務廳) and relevant regulations, the proportion of the sum of the balance of micro loans in the sum of the total balance of loans shall not be below 70.0%; the proportion of the sum of the “three rural” loans (based on the statistics standard of the PBOC) in the sum of the total balance of loans shall not be below 70.0%; the proportion of the sum of the balance of business loans that last more than three (3) months in the sum of the total balance of loans shall not be below 70.0%. Loans granted to the same borrower within seven (7) days shall be considered as a single loan. As at 31 December 2021, the proportion of the sum of the balance of micro loans in the sum of the total balance of loans of our Debt Investment (b)-0.0936(l)-29.279(b)-0.0936(e)-0.1117(e)-0.0936(n)-7.0936(%)-21.

- he standard of the balance of loans granted to the same borrower:** Pursuant to the 22 September 2013 Circular, the balance of loans granted by a rural microfinance company to a single borrower shall not exceed 3.0% of its net capital, or upon approval in advance from financial affairs office of the people's government at the municipal level, may exceed 3.0% but in any event shall not exceed 5.0% of its net capital. Pursuant to the Circular Concerning Adjusting and Improving Regulatory Policies on Rural Microfinance Companies (見頤 韋 韜 錫 蟬 昆 駟 歷 覆 丁 鷺 蕨 斌 青 葭 會 奈 會 米 麥 毛 危) (the “**December Circular**”) issued by the Jiangsu Finance Office on 23 December 2013, the sum of balance of loans and guarantees granted by a rural microfinance company to a single borrower and its connected parties shall not exceed 10.0% of its net capital. According to the Notice on Strengthening Supervision and Administration of Microfinance Loan Companies (朋 襪 從 餘 會 饒 成 蕨 翫 見 頤 蕪 營 歷 覆 丁 鷺 蕨 斌 會 化 奈 麥 毛 危) [2020] No. 85 issued by the General Office of the China Banking and Insurance Regulatory Commission dated 7 September 2020 (the “**September Circular**”), a microfinance company should conduct business in the county-level administrative area where the company's domicile belongs. For microfinance companies with good management, strong risk control ability and good supervision and evaluation, with the approval of the local financial supervision department, the restrictions on business areas may be relaxed, but they shall not exceed the provincial administrative areas where the company's domicile belongs. Pursuant to the 7 September 2020 Circular, unless otherwise provided for in the network microfinance business, the balance of loans granted by a microfinance company to the same borrower shall not exceed 10.0% of the company's net assets; and the balance of loans granted to the same borrower and its related parties shall not exceed 15.0% of the company's net assets. A microfinance company shall monitor the use of loan. The use of loan shall conform to laws and regulations, national macro-control and industrial policies. Loans granted by a microfinance company shall not be used for: investments in stocks and financial derivatives; non-compliant financing in the real estate

- **the c ient restriction:** Pursuant to the 2^o September 2011 Circular and the 28 August 2012

Pursuant to the Notice on Issuing Jiangsu Rural Microfinance Companies Regulatory Grading Index Scheme (Provisional) (見頤蘆亭扮黠 嘗昆駙歷覆 丁鷲蔽斌 會奈 尽從獨魯 黠 (餓 卣) 扳 廖毛 危) and its attachment Jiangsu Rural Microfinance Companies Regulatory Grading Index Scheme (Provisional) (黠 嘗昆駙歷覆 丁鷲蔽斌 會奈 尽從獨魯 黠 (餓 卣)) issued by the Jiangsu Finance Office on 7 August 2012, the grading index for rural microfinance companies principally covers three (參) aspects: (i) basic items, (ii) deduction items and (iii) veto items. A consolidated grading method is used. A rural microfinance company will receive merit points if achieving relevant index requirements for basic items, subject to deduction of points for several deduction items. If there occurs any of the veto items, this will result in a "C" grading being accredited to the relevant rural microfinance company. The grading index and the highest score/highest deduction corresponding to the index are as follows:

(a) **Basic items and related points:**

(b) **Deduction items and related points deductions:**

- (i) Corporate governance (the highest deduction is 25 points), which includes governance structure, quality of practitioner and financial management; the less sound the governance structure, the lower the quality of practitioner and the less complete the financial management, the higher the deduction;
- (ii) Internal control and risk control (the highest deduction is 35 points), which includes internal control condition and business risk control, the worse the internal control condition and the business risk control status, the higher the deduction;
- (iii) Operating ability (the highest deduction is 20 points), which includes rate of Return on Equity and Non-Performing Asset Ratio, the lower the rate of Return on Equity and the higher the Non-Performing Asset Ratio, the higher the deduction;

The maximum point deduction under the above deduction items are 80 points in total.

- (c) **Items include the following:** non-compliance deposit taking, usury, extension of loans with identity fraud, false entries in accounts, off-ledger operations, loan recovery by violent

慶丁鷺蔽媯青葭會奈韜米麥毛危), has issued a confirmation letter on 21 January 2022 to confirm that (i) since its establishment, Jingjiang Runyuan has been perfecting its company governance structure and internal control system; (ii) Jingjiang Runyuan has complied with various regulations applicable to conduct the business of the microfinance company generally; (iii) no penalties have been imposed on Jingjiang Runyuan by the relevant regulatory authorities; and (iv) Jingjiang Runyuan is allowed to conduct its business in the future.

According to the Interim Detailed Rules on Supervision and Penalties of Rural Microfinance Companies in Jiangsu Province (蘇省農村小額貸款公司監管處罰暫行規定), the Working Opinions on Supporting Jiangsu Rural Microfinance Compani

Under the relevant rules, failure to comply with the registration procedures set forth in the No. 7 Circular may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations.

Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company (拎襪踞譚園奈E 躡見頤諫荷艳脍濫 聶諫譚聲滲蔽媵 鶻 鶻义絕囊遂譚園奈E 饱見塵頰 麥毛 危扳) (the “No. 7 Circular”)

Pursuant to the No. 7 Circular, which was issued by the SAFE on 1st February 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of a publicly-listed overseas company and who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year, subject to a few exceptions, are required to register with the SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

Circular on Further Simplifying and Improving the Foreign C

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Registration and Filing In accordance with the Private Interim Measures, private fund managers shall submit the following basic information as required by and to the AMAC for registration and proceed with registration procedures: (1) copies of original and duplicate of business registration and business license; (2) the Articles of Association or partnership agreement; (3) a list of substantial shareholders or partners; (4) basic information on senior management; and (5) other information as required by the AMAC.

Pursuant to the Private Interim Measures, upon completion of fund raising of the private funds which are approved for registration, the private fund managers shall submit the following basic information as required by and to the AMAC for registration and proceed with registration procedures: (1) the main investment orientation and category of funds as marked based on the investment orientation; (2) fund contract, Articles of Association or partnership agreement. In case a document is provided to investors in the process of raising funds, the document shall also be submitted. For the private funds established in the form of company, partnership, etc., it is also required to submit the copies of original and duplicate of business registration and business license; (3) if entrusted management is adopted, it is required to submit the entrusted management agreement. In case a custodian institution is entrusted for management of fund properties, the custody agreement shall also be submitted; and (4) other information as required by the AMAC.

According to the Private Interim Measures, private fund managers who fail to register with the AMAC in accordance with requirements will be ordered to make corrections and be imposed a warning and a penalty of less than RMB30,000; the direct supe

Notice of the China Banking Regulatory Commission on Issuing the Measures for the Administration of Entrusted Loans of Commercial Banks (中国银保监会关于印发商业银行受托贷款管理办法的通知)

Notice of the China Banking Regulatory Commission on Issuing the Measures for the Administration of Entrusted Loans of Commercial Banks (No. 2 [2018] of the China Banking Regulatory Commission), which came into effect on 1 May 2018, governs all local offices of the China Banking Regulatory Commission, commercial banks and other financial institutions formed with the approval of the CBRC according to the law and qualified for engaging in the loan business in the territory of PRC regarding the conduct of Debt Investment Business through entrusted loan structure arrangement. According to the notice, “**entrusted loan**” means a loan granted on behalf of a client by a commercial bank assisting in overseeing the use of and recovering the loan. Also, a commercial bank shall enter into a contract with the parties to an entrusted loan and following the basic principles of equality freewill.

Preconditions of conducting the Debt Investment Business through entrusted loan structure arrangement Pursuant to Article 9, the client and the borrower shall reach an agreement on the conditions for the entrusted loan. Where the client or the borrower is not a natural person, a resolution or document on its governing body’s consent to the entrusted loan or a certificate with an equal legal force has been issued. Financial assets management companies or institutions engaging in the loan business shall not be the clients under these measures.

Obligations of clients Pursuant to Articles 10 and 11, the client shall provide a relevant document proving the compliance of its source of funds with laws and regulations or a relevant certificate with an equal legal force and conduct necessary examination of the client’s financial statements and credit records. The loans granted by a commercial bank on behalf of a client shall have specific purposes, and the purposes of funds shall comply with laws, regulations, and



聲露參鈞園薨醴露芻 1010 員級 万芻鉸45軌

唐取: (86-21)5404-9930 莨鄉: (86-21)5404-9931

To:

YANGZIJIANG FINANCIAL HOLDING LTD

80 Robinson Road

#02-00

Singapore 068898

1 April 2022

**É P O P O E D L I I N G O F Y A N G Z I J I A N G F I N A N C I A L H O L D I N G L T D O N T H E S I N G A P O R E
E X C H A N G E S E C U R I T I E S T R A D I N G L I M I T E D**

Dear Sir/Madam:

Jingtian & Gongcheng (“**J e**” or “**Our F r**”) is a law firm legally registered in the People’s Republic of China (“**C na**” or “**P C**”) which, for the purposes of this Legal Opinion (to be defined below), excludes Hong Kong and Macau Special Administrative Regions of the PRC, and Taiwan. Our Firm is duly qualified to practice law within the PRC and is authorised by the PRC Ministry of Justice to practice and to issue legal opinions in relation to the PRC laws and regulations (the “**P C Laws**”), and such qualification and authorisation have not been revoked, suspended, restricted or limited in any manner whatsoever.

We have acted as your PRC legal counsel in connection with the proposed listing of Yangziji Jiang Financial Holding Ltd. (the “**Co pany**”) on the Main Board of the Singapore Exchange Securities Trading Limited (the “**GX**”) (the “**Proposed L st ng**”).

Capitalised terms used herein and not otherwise defined shall have the same meanings ascribed to such terms in the Introductory Document of the Company (the “**Intro Doc**”) dated on 1 April 2022 in relation to the Proposed Listing.

This legal opinion is rendered on the basis of the PRC Laws effective as at the date hereof. We do not purport to be an expert on or to be generally familiar with or qualified to express legal opinions based on any laws other than the PRC Laws. Accordingly, we express or imply no opinion herein based on the laws of any jurisdiction other than the PRC. Furthermore, there is no guarantee that any such PRC Laws will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect. No independent search, investigation or other verification action has been conducted by us with any governmental authorities for the purpose of issuing our opinion. The interpretation and implementation of these laws and regulations are subject to the discretion of competent PRC legislative, administrative and judicial authorities.

For details relating to the regulatory action or penalties relating to the non-compliances committed by Jingjiang Runyuan, please see as follows:

Non compliance	Regulatory Actions Penalties	Regulation Name
The balance of some loans granted by Jingjiang Runyuan to the same borrower may have exceeded 10.0% of its net assets.	The following measures may be imposed individually or in combination, which as mentioned above, regulatory talk would occur as the first step: 1. regulatory talk; 2. suspend the creative business; 3. suspend the security business; 4. impose limitation on financing.	Interim Detailed Rules on Supervision and Penalties of Rural Microfinance Companies in Jiangsu Province (蘇省農村小額金融機構監管處罰暫行辦法)
Both (a) the aggregate value of micro loans outstanding and (b) the aggregate value of AFR micro loans (based on the definition of PBOC statistics) outstanding were below 70.0% of Jingjiang Runyuan total loans outstanding under the Debt Investment Business.	The following measures may be imposed individually or in combination which as mentioned above, regulatory talk would occur as the first step: 1. regulatory talk; 2. suspend the creative business; 3. suspend the security business; 4. impose limitation on financing.	
The amounts of some loans granted by Jingjiang Runyuan have exceeded the upper limit of RMB3,000,000.	No specific penalties for this item.	
The total loan and entrusted loan amounts granted by our Debt Investment Business have exceeded 100.0% of the net balance of share capital.	No specific penalties for this item.	
No more than 30.0% of our loans granted by Jingjiang Runyuan are used for financing in the real estate market, some of iuweredesomebae		

- (iv) Based on the above, the local governmental authorities may impose the above penalties under different circumstances after proceeding with internal procedures and typically, the regulatory talk would occur as the first step. The confirmation letter issued by LFRB confirmed that no penalties have been imposed on Jingjiang Runyuan by each level of authority and Jingjiang Runyuan is allowed to continue to conduct the business in the future. Jingjiang Runyuan has also confirmed that it has not been required to attend any regulatory talk and has not received any formal notice from LFRB to require Jingjiang Runyuan to make any rectification with regard to the non-compliances.
- (v) Jingjiang Runyuan has further confirmed that it is carrying out rectification measures in the following areas: a) Jingjiang Runyuan has not been and will not be extending the duration/tenure of the loans which are not technically in compliance with the applicable regulations, and Jingjiang Runyuan has not been and will not grant any new loans which are not in compliance with the applicable regulations; b) Jingjiang Runyuan intends to increase its share capital after obtaining the approval by its board of directors and shareholders on or before 31 March 2022; c) by adopting the above a) and b) measures, Jingjiang Runyuan will thereafter conduct business in compliance with all the applicable PRC Laws in all material aspects.
- (vi) Considering the following: (i) according to the confirmation letter of LFRB, there are no penalties which have been imposed by each level of regulatory authority to Jingjiang Runyuan and Jingjiang Runyuan is allowed to continue to conduct the business in the future; (ii) Jingjiang Runyuan will adopt various measures to rectify the non-compliance incidents as described above, and (iii) as confirmed by Jingjiang Runyuan, it has not been required to attend any regulatory talk and has also not received any formal notice from LFRB to require Jingjiang Runyuan to make any rectification, we are of the opinion that the risk that Jingjiang Runyuan will be forced to suspend its business by the LFRB is low. As such, we do not reasonably expect that the aforesaid regulatory concerns would thereafter have a material adverse effect on Jingjiang Runyuan's business operations.

2. The entrusted loan business relating to Jiangsu New Yangzi Commerce

- (i) Pursuant to Opinions of the Higher People's Court of Jiangsu Province on Establishing a System for the Registration of Suspected Professional Lenders (for Trial Implementation) (蘇高院審判委員會關於建立涉嫌專業貸款人登記制度的意見(試點)), the determination of whether a person is a professional lender is made as follows: if the same lender and its actual controlled related parties act as plaintiffs in more than five (5) private lending claims in the People's Courts at all levels in Jiangsu province within one (1) year, such lender should be included in the Professional Lenders Directory as a suspected professional lender. Each level of the People's Court maintains a directory of suspected professional lenders based on their own determination, and the People's Court has the authority to determine whether an entity is to be included in the Professional Lender Directory.

The implication on Jiangsu New Yangzi Commerce once it is reflected in the Professional Lenders Directory is that the private lending contract(s) entered into by it may be regarded as invalid. In such event, Jiangsu New Yangzi Commerce will still be entitled to claim back

According to the consultation with the staff of the People's Court of Jingjiang City, Jiangsu Province, which is the competent authority responsible for the adjudication of loan business disputes in the Jingjiang area, it is noted that Jiangsu New Yangzi Commerce is not listed in the Professional Lender Directory and hence, is not regarded as a professional lender as of the date of consultation.

Pursuant to the Minutes of the National Court Civil and Commercial Trial Work Conference (美職勳貝 鹹帶脗躡葵遍膝伙孑 萎鍾), if a same lender repeatedly engages in remunerative private lending activities within a certain period of time, the lender may be regarded as a professional lender and the loan contracts entered into by such professional lender will be regarded as invalid. The LFRB, which is the relevant PRC gove

- (iii) According to the stipulations of the Lending General Provisions (丁鷺毛蒯), “entrusted loans” refer to loans for which funds are provided by an entrusting party such as a government department, unit of an enterprise or institution, or an individual, of which the use is supervised and the recovery assisted by the lender (being the entrusted party) in accordance with the loan beneficiary, purpose, amount, term and interest rate, etc. determined by the entrusting party. The lender (being the entrusted party) is entitled to receive service fees but does not bear the loan risk.

There are three (3) parties to the entrusted loan contracts entered into by Jiangsu New Yangzi Commerce. Specifically, (a) Jiangsu New Yangzi Commerce acts as the entrusting party; (b) the licensed third-party service providers such as banks, act as the entrusted party; and (c) the end-borrowers act as the borrowers. Given that the entrusted loan contract is legally binding on all the three (3) parties, Jiangsu New Yangzi Commerce, as a party to the entrusted loan contracts, is entitled to take action against or pursue payments from the end-borrower directly.

While tripartite contracts are entered into, and this signifies that Jiangsu New Yangzi Commerce and the end-borrowers are in a direct contractual arrangements, the entrusted loan contract will clearly state that the licensed third-party service provider, such as the bank (i.e. the entrusted party) is extending the loan to the end-borrower in accordance with the entrustment of Jiangsu New Yangzi Commerce. Therefore, Jiangsu New Yangzi Commerce would not be considered as extending loans directly to the end-borrowers under such circumstances.

We are of the view that the entrusted loan agreements (i.e. the tripartite contracts) entered into by Jiangsu New Yangzi Commerce are in line with the requirements under the General Rules for Loans, Measures for the Administration of Entrusted Loans of Commercial Banks and the Working Opinions on Supporting Jiangsu Rural Microf

3. The New Draft Rules

On 24 December 2021, the China Securities Regulatory Commission (the “CSRC”) issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《**國務院關於境外發行和上市外國證券公司管理暫行規定**（徵求意見稿）》) (the “**Draft Administration Provisions**”), as well as Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《**境外發行和上市外國證券公司申報管理暫行規定**（徵求意見稿）》) (the “**Draft Measures**”, together with the Draft Administration Provisions, the “**New Draft Rules**”) as supporting rules. The

- (ii) If the New Draft Rules come into effect, in its proposed form, after the completion of the Proposed Listing, based on the publicly available sources, such as the response of relevant officials of the CSRC to reporters' questions, the "Grandfathering principle" may be applicable, under which alternative measures may be taken in the case of such existing overseas-listed companies, e.g. a sufficient transition period will be granted for such companies who had completed their overseas listings prior to the date of implementation of the New Draft Rules. For the avoidance of doubt, the New Draft Rules do not prescribe that failure to complete filing by such companies already listed overseas will result in loss of listing status of such companies.
 - (iii) After the New Draft Rules come into effect, in its proposed form, any indirect- or direct-listed domestic companies offering new securities in overseas markets will be required to submit the Post-listing Filing Documents with the CSRC (as further described in paragraph (c) below) within 3 working days after the offering is completed. No notification is required prior thereto.
- (b) The details of filing procedure in the New Draft Rules for the overseas listings of indirect or direct domestic companies are as follows:
- (i) According to the CSRC New Draft Rules, a filing-based regulatory system will be introduced to cover both direct and indirect overseas offerings and listings. The filing based regulatory system requires that when a PRC company makes an application for both direct and indirect offering and listing in an overseas market, the PRC company shall submit to the CSRC filing documents, which include but are not limited to, a) a filing report and associated undertaking; b) regulatory opinions, filings or approval and related documents issued by competent industry authorities (where applicable); c) opinions issued by competent authorities on security assessment and review of the issuer (where applicable); d) legal opinion(s) issued by a domestic law firm; and e) a
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APPENDIX F LEGAL OPINION F OM JING IAN GONGCHENG

- The CSRC will, within 20 working days after receiving the Pre-listing Filing Documents that are deemed complete and in compliance with stipulated requirements, issue a filing notice thereof and publish the filing results on the CSRC’s website.
- (c) The details of filing procedure in the New Draft Rules for a listed issuer offering new securities are as follows:
 - (i) According to the CSRC New Draft Rules, any new offering of securities by indirect- or direct-listed domestic companies in an overseas market shall submit to the CSRC filing documents, which include but are not limited to: a) a filing report and associated undertaking; b) legal opinion(s) issued by a domestic law firm (collectively, the “**Post listing Filing Documents**”);
 - (ii) The main filing process is as follows:
 - The PRC entities shall submit the Post-listing Filing Documents to the CSRC within three (3) working days after the offering is completed;
 - If the Post-listing Filing Documents are incomplete or does not conform to stipulated requirements, the CSRC can issue a single notice requesting supplementation and amendment thereto within five (5) working days after receiving the Post-listing Filing Documents. The time taken to prepare the requested supplementation and amendment shall not be counted in the time limit for the filing; and
 - The CSRC will, within 20 working days after receiving the Post-listing Filing Documents that are deemed complete and in compliance with stipulated requirements, issue a filing notice thereof and publish the filing results on the CSRC’s website.
- (d) Our opinion stated herein is stipulated on the basis of the New Draft Rules. The provisions and anticipated effective date of the New Draft Rules may be subject to changes and its interpretation and implementation would therefore be uncertain as well, as the PRC governmental authorities may have discretion in the interpretation and enforcement of the New Draft Rules, and there can be no assurance that the PRC governmental authorities will take a view that is contrary to or otherwise different from our opinion stated above.
- (e) In terms of consulting with the CSRC, given that the New Draft Rules have not been formally adopted, there is no legal route for us to make engagements with CSRC. The Company has also not been able to arrange for any formal engagements with CSRC, even if it had wanted to.

4. Cybersecurity Review Measures

Pursuant to the Cybersecurity Review Measures (which took effect on 15 February 2022), an online platform operator who have more than 1 million users' personal information must report to the Cybersecurity Review Office for cybersecurity review for its overseas offering and listing. As confirmed by the Company, it does not operate any online platform as of the Latest Practicable Date, therefore, we are of the view that the Cybersecurity Review Measures will not apply to the Proposed Listing.

This opinion is intended to be used in the context which is specifically referred to herein and each section should be viewed as a whole and no part should be extracted and referred to independently.

Save for disclosure in the Intro Doc, reliance by the Company for the Proposed Listing and disclosure to the SGX-ST in relation to the Proposed Listing, this opinion may not be used, circulated, quoted or otherwise referred to for any other purpose or by any other person without our prior written consent.

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APPENDIX F LEGAL OPINION F OM JING IAN GONGCHENG

Yours faithfully,

A rectangular box containing a handwritten signature in cursive script that reads "Jingtian & Gongcheng".

Jingtian & Gongcheng

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