

YANGZIJIANG FINANCIAL HOLDING LTD.

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

MINUTES OF EXTRAORDINARY GENERAL MEETING

Date and time	:	Friday, 31 May 2024 at 3.00 p.m.
Place	:	Big Picture Theatre, Level 9, Capital Tower, 168 Robinson Road, Singapore 068912
Present	:	Please see attendance list attached hereto.
In Attendance	:	Please see attendance list attached hereto.

CHAIRMAN

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

Mr Chew Sutat (“**Mr Chew**”), the Lead Independent Director of the Group, was invited to preside over the Meeting on behalf of Mr Ren. Mr Chew expressed his appreciation for the Shareholders’ attendance at the Meeting.

QUORUM

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

NOTICE OF MEETING

The Notice dated 16 May 2024 convening the Meeting, having been in the hands of the Shareholders for the requisite period, with the concurrence of the Meeting, was taken as read.

INTRODUCTION

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

VOTING BY WAY OF POLL

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

Mr Chew informed that the Company had appointed Sino Lion Communications Pte. Ltd. as scrutineers for the polls at the Meeting.

ADVANCE QUESTIONS FROM SHAREHOLDERS

Mr Raymond informed that the Group had invited the Shareholders to submit their advance questions by 24 May 2024. The Group has received pre-submitted questions from the Shareholders and the Group's responses to the questions were presented at the Meeting as following:

1. Given that the sister company of Yangzijiang Financial Holding Ltd ("YZJFH"), Yangzijiang Shipbuilding (Holdings) Ltd ("YSL"), is also in the Maritime Business, and both companies have the same controlling shareholders, is there a conflict of interest?

The Group is of the view that there is no conflict of interest between the operations of YZJFH and YSL for the following reasons:

YSL is involved in the Maritime Business only in its capacity as an operating owner, unlike YZJFH, which seeks to function as a financial investor in the Maritime Business. YSL and YZJFH operate in different capacities and roles within the Maritime Business. Further, there is currently no transaction between YSL and YZJFH in relation to the New Businesses.

Post-spinoff, YSL's main operating model remains in shipbuilding (i.e., the construction of a broad range of commercial vessels such as containerships, oil tankers, bulk carriers, LNG vessels and other gas carriers). While it does operate a supplementary shipping business, this is relatively small compared to its shipbuilding operations. YZJFH, on the other hand, has no intention of competing in the shipbuilding segment but will focus mainly on providing Maritime Services such as finance leasing, ship agency, ship broking, as well as providing secured loan services to maritime players. It will also be owning vessels with long charter coverage, with a view of forming joint ventures and/or partnerships with third parties to run the operations.

While YSL was involved in transactions within the Maritime Services and Loan Services sectors prior to the spin-off, it has since ceased entering into new deals in these areas. Furthermore, YSL is engaged in the import and export business related directly to its own shipyards, whereas YZJFH offers these services to non-YSL clients.

Despite having the same controlling shareholders, YSL and YZJFH are separate entities with their own Boards and management teams, ensuring independent decision-making. Nevertheless, YZJFH does not rule out entering into any deals with YSL if it is in the best interests of YZJFH.

2. Will the two listed Yangzijiang companies merge back into one company again? Similar to how Boustead spun out Boustead Projects, only to delist and take it back a few years later?

While we cannot comment on the activities of other companies, we can confirm there are currently no plans to merge with YSL or to privatise the Group. We remain focused on our strategic objectives and are committed to enhancing Shareholders' value through our existing operations and investment strategies. We are confident in our direction and the long-term benefits it will bring to our Shareholders.

3. When YSL spun out YZJFH, it was intended for YZJFH to be a fund management company while YSL is a shipping / maritime company. Now that YZJFH is going back into the Maritime Business, what is the rationale of the spinoff in the first place?

The spinoff of YZJFH from YSL was strategically aimed at allowing each entity to focus on its core competencies, enhancing operational efficiencies and Shareholders' value. This allows YSL to focus on its core shipbuilding operations while enabling YZJFH to concentrate on fund management, specifically secured loan origination.

The Management also took into consideration that the market prefers both of its core businesses (shipbuilding and fund management respectively) to be separated, operating as "clean entities" as there are no clear synergies from having both shipbuilding and fund management operating out of YSL.

YZJFH's entry into the maritime sector, focusing specifically on the financing and ship-owning portion of this sector, leverages the Management's deep industry expertise and relationship with customers and banks in the PRC and global markets. Given the Management's wealth of experience operating within the maritime industry, the Group believes it can provide a differentiated fund management offering to stakeholders with a unique value proposition.

4. What is YZJFH's progress in resolving the non-performing loans up to this point? Has the collateralised asset continued to deteriorate, or has it stabilised?

The Group is committed to resolve one-third of its NPLs by the end of 2024 and all outstanding NPLs within the next three years. Its dedicated team of legal and other relevant professionals is actively working on the recovery of the outstanding NPLs. The Group's asset quality remains stable, with no significant write-offs required. The Group has also been able to record write-backs on asset valuations previously marked down and provisions made prior. The Group has adopted a conservative approach to managing these assets and has continuously monitored their development and taking appropriate measures as necessary.

5. China's property market continues to face headwinds and uncertainties. Will the recent measures taken by the Chinese government to help property developers impact your earnings going forward?

It is uncertain how these measures will directly impact the Group's earnings. The measures include plans by the local State-owned enterprises on purchasing unsold residential properties, increasing infrastructure investments, promoting urbanisation, and including liquidity provisions through policy loans and special securities with the aim to stabilise the real estate market. The Group has already made the necessary provisions for potential impact on our assets, based on our management team's conservative assessment. Where recoverable amounts are received in the future, it could result in an upside to earnings.

Mr Raymond informed the Shareholders that the above Q&A had been published on the website of the Group as well as the announcement released to SGXNet on 26 May 2024. He invited questions from the Shareholders present at the meeting. The questions raised and answers by the Group are annexed hereto in Appendix A.

Before proceeding to the business of the Meeting, Mr Chew invited Mr Ren to deliver his speech to the Shareholders.

SPEECH BY THE EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Ren conveyed that the Meeting was conducted to discuss the proposed diversification of the Group's business. He understands that it is normal for Shareholders to be concerned about the Group's transformation. Mr Ren also noted that Mr Chew had addressed such queries from Shareholders present during the Meeting and the Group had also announced all relevant information on SGXNet.

Following the spinoff, the share price of YSL was between S\$1.60 and S\$1.70, and the current share price of YSL has since doubled. Mr Ren clarified that this increase in share price is not solely attributable to YSL's performance. The current market dynamics including the ongoing Russia-Ukraine conflict and Israel-Palestine conflict led to the substantial demand in shipping and shipbuilding activities. This rise in demand is the primary reason for YSL's performance.

Leveraging the Management's 50-year expertise in the shipbuilding sector, the Chairman is confident that the Group can identify opportunities within the shipping industry. Following a period of in-depth deliberation, the Group had decided to diversify its businesses to take advantage of the current period of shipping demand. Unlike YSL's core business of shipbuilding, the New Businesses focuses on ship financing, leasing, and loans.

Mr Ren expressed his confidence that through this strategic transformation, the Group's share price performance will improve within the next two years.

**RESOLUTION 1:
PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE NEW
BUSINESSES**

The sole item on the agenda was to approve the Group to diversify its Existing Core Business to include the New Businesses.

The following ordinary resolution has been duly proposed:

“That

- (a) approval be and is hereby given for the Group to diversify its business and expand its Existing Core Business to include the New Businesses (the “Proposed Diversification”);*
- (b) approval be and is hereby given to the Company and the Group to invest in, purchase or otherwise acquire or dispose of, from time to time, any such assets, investments and shares/interests in any entity that is in the New Businesses on such investment, purchase, acquisition or disposal on such terms and conditions as the Directors deem fit, and approval be and is hereby given to such Directors to take such steps and exercise such discretion and do all acts or things as they deem desirable, necessary or expedient or to give effect to any such investment, purchase, acquisition or disposal; and*
- (c) approval be and is hereby given to the Directors and any one of them to enter into all such transactions, arrangements and agreements and approve, execute and deliver all documents and do all such acts and things as they or any one of them deem desirable, necessary or expedient to give effect to the approvals given in this Ordinary Resolution or the transactions contemplated by the Proposed Diversification as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.*

Ordinary Resolution No. 1 was then put to vote by poll. Shareholders cast their votes on the poll voting slip provided.

VOTING AND VERIFICATION

As there was no other business which may properly be transacted at the Meeting, Mr Chew requested the Shareholders to submit their poll voting slips to the Polling Agent for votes counting and votes verifying by Scrutineers.

POLL RESULTS

The results of the voting resolution, as verified by the Scrutineers were as follows:

Votes	No. of Votes	Percentage
For	2,111,533,534	98.53%
Against	31,511,100	1.47%

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

CONCLUSION

There being no other business to transact, Mr Chew declared the Meeting closed at 4.30 p.m. He thanked all Shareholders for their attendance and support.

Confirmed as True Record of Proceedings

Ren Yuanlin
Chairman of the Meeting

APPENDIX A: SUBSTANTIAL QUESTIONS RAISED BY SHAREHOLDERS

QUESTION 1:

A shareholder questioned the purpose of the proposed diversification of business resolution and why the Group did not include the proposed diversification of business resolution in the Annual General Meeting (“AGM”) held on 24 April 2024.

Mr Chew responded that as a listed company on SGX, the Company would need to seek Shareholders’ approval should its business venture beyond its original mandate from listing and it anticipates that the diversification will exceed a certain material threshold in connection with its ordinary course of business.

Mr Chew highlighted that the resolution seeks approval from Shareholders to provide the Group with the mandate to diversify some of its current fund management activities into maritime leasing and other related maritime ventures. Mr Chew elaborated that one of the Group’s current businesses involves managing a Maritime fund which had been performing well and has further expansion capacity. After careful deliberation, the Management and the board assessed that there are opportunities for the Group to further diversify its business which may exceed the material threshold as introduced in the circular.

Therefore, the Group had to organise a separate Extraordinary General Meeting (“EGM”) to seek approval from the Shareholders via a resolution to diversify its business, in order to abide by the regulatory requirements. As a regulatory prerequisite, the Group had to seek necessary approvals from the relevant authorities before the diversification circular could be sent to Shareholders. The Group would have held the EGM to propose the diversification of business resolution on the same day right after the AGM, without holding two separate meetings had the relevant approvals been obtained at least 14 calendar days prior to the calling of the AGM. This decision was based on practical and technical considerations.

QUESTION 2:

A shareholder enquired about the expansion of current business activities into the Maritime fund and questioned whether the proposed New Businesses for diversification are similar to the Maritime fund. The shareholder questioned whether the Group would prioritise investment in the Maritime fund instead.

Mr Chew explained that the current Maritime fund manages funds from the Group and funds from third parties. The Maritime fund is a business of fund management and in contrast, the proposed resolution at the Meeting will allow the Group to engage in certain maritime activities directly utilising the Group’s own balance sheet to facilitate these transactions.

The Maritime fund current capacity is approximately US\$600 million which includes third-party monies and it is operating as a fund, managed by an MAS-licensed entity within the Group. Given the Group’s expertise and extensive experience in the maritime industry, as well as the potential opportunities for larger transactions, the Group deems it is timely to seek Shareholders’ approval for direct engagement in maritime activities and not just through the Maritime fund.

QUESTION 3:

A shareholder noted that Mr Chew had commented that the Group intends to leverage its own balance sheet to venture into the New Businesses and questioned whether the Group is willing to risk its current cash reserves as at 31 December 2023 of approximately US\$1.4 billion for the New Businesses. Additionally, the shareholder enquired about the potential impact of China’s rail

connectivity with Europe and Asia arising from the Belt and Road Initiative on the shipping business.

Mr Chew explained that the YZJFH is an investment manager which also invests its own proprietary capital. The Group is seeking diverse investment opportunities to deploy its cash reserves effectively and generate returns for Shareholders.

Part of the Group's existing businesses is investment and fund management, which include the Maritime fund whereby third-party investors had invested into. While certain segments of the business manage third-party funds for fee income, the Group itself operates as a fund management entity and invests Shareholders' funds to generate investment returns.

The Group is proposing to increase its allocation into direct investments. Mr Chew emphasised that the Group would not recklessly invest its entire cash reserves into the New Businesses. The circular outlines various reporting structures, processes and risk factors that have been considered. Allocation into the New Businesses will be gradually increased over time, leveraging the expertise of the Chairman and the Management. The Group had some success with the Maritime fund and is seeking Shareholders' endorsement to extend the Group's balance sheet into similar areas.

Before venturing into New Businesses, the Board conducted a thorough assessment, particularly regarding the material thresholds, ensuring decisions are in the best interests of the Group. Mr Yee Kee Shian, Leon ("**Mr Yee**") referred the Shareholders to pages 26 to 31 of the circular which set out the details of risk management measures.

In response to the shareholder's query about the potential impact of China's rail connectivity with Europe and Asia arising from the Belt and Road Initiative, Mr Chew highlighted that while there are alternative transportation options, shipping remains indispensable due to its unparalleled capacity, making it difficult for rail transport to fully replace shipping transport in the foreseeable future.

Mr Chew acknowledged the shareholder's insights regarding China's potential and underscored the importance of recognising the expertise and market awareness of Mr Ren and the management team.

QUESTION 4:

A shareholder sought clarification regarding the rationale behind re-entering the Maritime Business despite being spun off from YSL to operate as a fund management entity. Given the Group's expertise in the maritime sector, the shareholder enquired about the potential yield return in the next 3 years and the reason that the Group did not re-enter the maritime business earlier.

Mr Ren responded that following the spin-off from YSL, the Group initially focused on its investment and fund management business. The Group quickly realised that it lacked the same level of deep expertise and experience as compared with other established and leading global financial services firms like JPMorgan, Goldman Sachs Group, and Temasek. Notwithstanding the foregoing, the Group leveraged the Management's extensive experience in the maritime industry to take advantage opportunities in the maritime business for shipbuilding, which resulted in the decision to establish the Maritime fund.

Mr Ren expressed confidence in the Maritime fund's ability to generate profits for Shareholders and contribute towards the Group's share price over the next three years. Mr Ren further emphasised the importance of share buybacks as a means of enhancing Shareholders' returns. The Group will continue to repurchase its own shares at the opportune moments, after taking into account the prevailing market conditions and other relevant factors. Mr Ren further responded that the Group is striving to achieve strong performance, aiming for sustainable long-term returns with the current objective of distributing at least 40% of annual profits as dividends to Shareholders.

Mr Chew reminded Shareholders that the Group is in the business of investment and fund management, and a significant part of the Group's balance sheet as at the spun off was already represented by loans and real estate assets in China.

In response to the shareholder's query on the anticipated yield return, Mr Chew explained that it is not feasible for the Company as a listed entity to disclose specific expected yield returns for future business endeavours and commit to a particular figure.

QUESTION 5:

A shareholder enquired about the dividend payout ratio and how recent support measures implemented by the Chinese government might affect the Group's performance regarding non-performing loans (NPLs).

Mr Chew clarified that the Group's current dividend policy is to distribute not less than 40% of its annual profit which is a policy that has been established and publicly disclosed. Mr Chew emphasised that the policy guides the Group's actions and the Board of Directors together with the management regularly reviews and consider the Group's capital requirements, investment opportunities and risk management to determine the appropriate level of dividend to be distributed.

Mr Chew noted that while the Chinese government has announced a general policy to support the real estate sector in China, the manner in which the policy will be implemented at the individual province and bank levels is still uncertain. It is premature to draw definitive conclusions at this stage on the impact to the NPLs. Mr Chew also pointed out that similar questions had been addressed in the Group's responses to questions 4 and 5 of the pre-submitted questions.

QUESTION 6:

A shareholder queried about the yield of the Maritime fund and whether the vessels of the Maritime fund are related to YSL.

Mr Alex Yan disclosed that the Maritime fund currently manages approximately 53 vessels and had historically generated at least a 10% yield. Mr Alex Yan added that the Maritime fund had some success with sales and purchases transactions and announcements are expected to be made upon the completion of such transactions.

Mr Chew reiterated that there are presently no transactions between YSL and YZJFH which was also indicated in the circular and responses to the pre-submitted questions.

QUESTION 7:

A shareholder queried about the Group's competitors for the New Businesses.

Mr Alex Yan explained that there is a distinction between the Maritime fund and the Maritime Business as stipulated in the circular. The Maritime fund primarily focuses on ship investment, ship financing, and chartering, which sets it apart from the New Businesses outlined in the circular.

The competitors include CSSC Shipping, Hudson Shipping and Ocean Eight, which have demonstrated strong performance and offered attractive payouts to investors. The Group aims to compete with these competitors by providing robust financial returns to Shareholders.

QUESTION 8:

A shareholder enquired if the Group will shift its focus to the Maritime Business and sought information on the anticipated Return on Equity ("RoE") on the Maritime Business.

Mr Chew highlighted the Group's diverse range of investments including loans services, cash assets deployed into various investment classes and investment into the Maritime fund.

The proposed resolution at the Meeting aims to expand and increase the Group's activities but does not imply that the Group will expand solely towards the Maritime Business. The resolution, should it be carried, provides optionality and diversification to potentially increase additional revenue streams and enhance Shareholders' value in the long term.

Mr Chew directed Shareholders to Page 26 of the circular for the expected Internal Rate of Return ("IRR") of between 10% to 12.5% for the various business sector.

QUESTION 9:

A shareholder enquired about the Group's succession plans and if the Group intends to continue its focus on investments in China or diversify investments internationally. The shareholder also sought clarification on the competitive advantage the Group has over its competitors.

Mr Chew emphasised the Group has great depth of expertise in the maritime industry, including the Chairman and the Group's Chief Financial Officer ("CFO") and the management team. The collective experience underscores the rationale outlined in the circular recommending these New Businesses to Shareholders.

The Group had communicated to Shareholders that post-spinoff, the Group intends to allocate 50% of its funds outside of China within a designated three-year period. As disclosed during the recent AGM and information provided previously, more than half of the funds had already been deployed outside of China into various international investment instruments ahead of schedule.

QUESTION 10:

A shareholder observed from the circular that the proposed New Businesses encompass Maritime Services such as ship agency and shipbroking services. The Shareholder requested additional clarification on these services.

Mr Chew emphasised that the proposed New Businesses encompass four distinct components, each presenting varying opportunities to generate returns for the Group and Shareholders. Mr Chew assured Shareholders that the management team would approach these opportunities with thorough consideration, ensuring each step forward is taken cautiously with a focus on achieving sustainable dividends for Shareholders in the long term.